CHARTER CONSTITUTION BY-LAWS

AND RULES

OF THE

NEW ORLEANS COTTON EXCHANGE

1920

Class HD9078
Book .N4N6
1920

New Orleans cotton exchange

CHARTER, CONSTITUTION BY-LAWS AND RULES

OF THE

New Orleans Cotton Exchange

EMBRACING ALL

Rules Governing the Ex-Warehouse, To Arrive and Future Contract Cotton Business in the New Orleans Market and Business in Cotton Seed and Cotton Seed Products; also the Rules Relating to Standard of Compressing and Inspection of Cotton for Export, etc., etc.

INCLUDING REVISIONS UP TO JANUARY 24, 1920

PRESS OF THE L. GRAHAM CO., LTD.,
430-432 Common Street,
New rleans.

1920

HD9078
.N4N6
1920

LIBRARY OF CONGRESS
RECEIVED
MAR 11 1922
DOCUMENTS DIVISION

V.C.R. Mr. 23, 1922

EXTRACT FROM THE MINUTES

OF THE

BOARD OF DIRECTORS

OF

THE NEW ORLEANS COTTON EXCHANGE,

January 26, 1920.

Resolved, That the report of the Committee on Rules embodying a compilation and codification of the Charter, Constitution, By-Laws and Rules of this Exchange to January 24th, 1920, as presented to this Board in printed form, be and is hereby approved;

Resolved, That the Rules as expressed and enumerated in said report be and are hereby adopted and promulgated, together with the Charter, Constitution and By-Laws as submitted.

EDW. S. BUTLER, *President.*

HENRY G. HESTER, *Secretary.*

CONTENTS

CHARTER 1– 7

CONSTITUTION 11– 16

BY-LAWS 19– 31

EX-WAREHOUSE RULES 35– 45

TO ARRIVE RULES 49– 67

FUTURE RULES 71–136

REGULATIONS OF SECRETARY OF AGRICULTURE 141–166

UNITED STATES COTTON FUTURES ACT 167–177

COTTON SEED AND COTTON SEED PRODUCTS 181–190

GENERAL RULES 193–203

RULES OF ORDER 205–207

PRESS SUPERVISION 211–216

LEVEE INSPECTION 219–222

STANDARD OF COMPRESSING AND INSPECTION OF COTTON FOR EXPORT 225–227

Admission of Members—Constitution, Article V..... 12
Admission of Partners during the absence of other partners—
By-Laws, Article XVI..... 28
Amendment of By-Laws—Constitution, Article X..... 16
of Charter—Charter, Article VIII..... 6
of Constitution—Constitution, Article X..... 16
of Rules—By-Laws, Article IV..... 22
Annual Dues—Constitution, Article VI, By-Laws, Article XVI,
General Rules 2-6.....13–28–29–193–194
Annual Elections—By-Laws, Article I..... 19
Charter, Article VI..... 4
Constitution, Article III..... 12
Members in arrears cannot vote—Constitution, Article VI
and General Rule 3..... 13–193
Annual Reports—By-Laws, Article III..... 21
Appeals—On cotton to arrive, Rule 21, Sec. 2..... 59
Committee of, By-Laws, Articles III-X, General
Rule 13 21–24–25–197
Committee on Classification (Inspection), Future Rules
5-10; General Rule 13.....76–80–81–197
Decisions of Board of Examiners—Future Rule 16..... 91
Decisions of Appeal Committee on Classification, Future
Rule 14, Sec. 4..... 86
Duties of Appeal Committee on Valuation, Future Rule 14,
Sec. 6 87
Failed Members' right to appeal, Future Rule 60..... 133
To Arrive—Appeals, Arbitration decisions, Rule 21..... 59–60
From Decision Board of Classers, Future Rules 5-10....76–80–81–82
From Decision Committee on Valuation, Future Rule 14,
Secs. 6-7 87–88
General Appeal Committee, General Rule 13, Sec. 3..... 199
Limit of time for, By-Laws, Article XIV, Future Rule 16,
Sec. 5 27–91
On claims arising from Spot Sales, Rule 18..... 45
On Fines instituted on Calls, Rules of Order 10..... 207
Purpose and duties of Committee of, By-Laws, Article X 24–25
Rejections, no appeal on (Inspection), Future Rule 8..... 79
Samples to be used, Future Rule 16, Sec. 5..... 91
Applications—For Membership, Constitution, Articles IV-V.... 12
By-Laws, Articles V-XIII..... 22–26
General Rules 12..... 196
For Visiting Membership—Constitution, Article IV, Sec. 2,
General Rules 12..... 12–196
Of parties engaged in handling cotton, Future Rule 4..... 75–76
Arbitration—Arbitrators, Appeal from decision of, By-Laws,
Article IX 24
Duties of, By-Laws, Article IX..... 24
Fees of, By-Laws, Article IX..... 24
How appointed, By-Laws, Article III.... 24
Committee—By-Laws, Articles III-IX..... 21–24
Cotton Seed and Cotton Seed Products..... 181–182
Decisions Binding, By-Laws, Article IX..... 24
Failed Members, right to arbitrate, Future Rule 59..... 133
To Arrive Cotton, Arbitrations on disputes, Rule 21..... 59–60
Guaranteed Through Cotton, Rule 36..... 67
Settlement of claims of members, By-Laws, Article XIV.... 27
Assessments—Constitution, Article VI..... 13
General Rules 2..... 193

Of settlements by grade differences, Future Rules 15, Sec. 2 88
Rules of Order 2-6-7 205–206

Attorney, Powers of (See Powers of Attorney).

Average Prices—Compensation for Grades on Average Prices, Ex-Warehouse Rule 6 39
How computed, Future Rule 63 135
Settlement in case of failure of margin depository, Future Rule 51, Sec. 2 127

Bagging—Amount used to cover bales, Rule 8 40
Excess, how ascertained, Rule 8 40–41
Unmerchantable, Rule 9 42

Balloting—On election of members, By-Laws, Article XIII 26
On officers (Annual election), Charter, Article VI 4–5
and By-Laws, Article 1 19

Bands—(See also ties and standard of compressing).
Cutting for Sampling Supervision, Rule 8 213
Removed for inspection, Future Rule 13, Sec. 4 84

Betting—Rules of Order 9 206

Bills—Invoice for Spot Cotton, Rule 2 35
For Classing and Inspecting, Future Rule 28 103
On ring settlements, Future Rule 48, Sec. 2 124
Penalty for failure to pay, Future Rule 28, Sec. 2 104
Payment of, Future Rule 26 102
When rendered, Future Rule 21, Sec. 5 95

Board of Classers—Arbitrations by, on deliveries other than future contracts, Future Rule 33 106–107
Additional Classers—Future Rule 8, Sec. 4 80
Duties of, Futures Rules, 8, 14, 16 79–80–86
How appointed, Future Rule 5 76
Quorum of, Future Rule 8 79
Board of Cotton Examiners (U. S.) Future Rule 17 91

Board of Directors—Absence of President and Vice President, By-Laws, Article II 20
Amendments of Rules, By-Laws, Article IV 22
Annual Report, By-Laws, Article III, Sec. 2 21
Appointment of Nominating Committee, By-Laws, Article I, Sec. 4 19
Standing and other committees, By-Laws, Article III, Future Rule 52 21–128
Secretary, By-Laws, Article III 21
Other employees, By-Laws, Article III 21
Committee to carry out certification rules, Future Rule 5 76
Inspector-in-Chief, Future Rule 7, Sec. 1 78
Inspectors of Election, Charter, Article VI, By-Laws, Article I 4–19
Board of Classers, Future Rule 8, Sec. 1 79
Clerk, Board of Classers, Future Rule 9 80
Assistant Inspectors, Future Rules 4-7, Paragraph 3 75–77
Weighers, Future Rule 4 75
Licensed Warehouses, Future Rule 4 75
Chief Supervisor and Assistants, Press Supervision Rules 1 and 2 211
Chief Levee Inspector and Assistants, Levee Inspection Rules 1 and 2 219

Approval of Applications for Membership, Constitution, Article V, By-Laws, Article XIII 12–26
Balloting for, By-Laws, Article I 19
Building—Assessment for Construction, Article VI, Sec. 1C 13
Charter, Provisions, Article VI 4–5
Classers, additional, Future Rule 8, Sec. 4 80
Commissions, Committee's Decision, General Rule 13 197
Calls, Hours of, Future Rule 46 114
Closing of Exchange, By-Laws, Article II, Future Rule 38, Sec. 3 20–109
Declare memberships at an end, Constitution, Article VI, Sec. 2; Future Rule 60 14–133
Dues and Assessments unpaid, Constitution, Article VI; General Rule 2 13–193
Election of, Charter, Article VI; Constitution, Article III; By-Laws, Article I 4–5–12–19
Failure to elect, By-Laws, Article I 19
Failed Member, disqualified for re-instatement, Future Rule 61 134
Failed Member, member not filing claim against, Future Rule 56 131–132
Failed Member, re-instatement of, Future Rule 62 134–135
Fines and fees unpaid, Constitution, Article VI; General Rule 2 14–193
Inspection, Classification, etc., charge for, Future Rule 28 103
Inspectors of Election, Charter, Article VI; By-Laws, Article I 4–19
Levee Inspectors, and Chief, Levee Inspection Rule 1 219
Licenses, Future Rule 4 75
Meetings, By-Laws, Article II 20
Powers of Attorney to visit Exchange and trade, form of 129–130–228
Power of Attorney, By-Laws, Article XVI; Future Rule 54 28–29–129–130
Proxies to vote for, Charter, Article VI 5
Opening and Closing, By-Laws, Article II, Sec. 3, and Future Rule 38, Sec. 3 20–109
Nominating Committee, cannot serve on, By-Laws, Article I, Sec. 4 19–20
Misconduct, Article VIII, Constitution; By-Laws, Article 15 15–28
Rules, Adoption of, By-Laws, Article IV 22
Salary of Board of Classers and clerk of, Future Rules 8-9 79–80
" of Inspector-in-Chief, Future Rule 7 78
" of Chief Supervisor, Press Supervision Rules 1-2 .. 211
" of Chief Levee Inspector, Levee Inspection Rules 1-2 219
" of Assistant Chief, and Asst. Supervisors, Press Supervision Rule 1 211
" of Assistant Levee Inspectors, Levee Inspection Rules 1-2 219
Supervisory Committee's report on Failures, Future Rule 61 134
Vacancies in Board, Charter, Article VI; By-Laws, Article

XIX 5–30
Vacancies, Board of Classers, Future Rule 8, Sec. 4 80
Violations of Constitution, By-Laws, etc., Constitution, Article VIII 15
Brokerage—On contracts, Future Rule 47 114–115–116–117
On Spot Cotton, Rule 20 45
Bucket Shops—General Rule 18 200–201
Bulletins—(See under Posting).
Calls—Future Rule 46, Rules of Order 10 114–206–207
Appeals on, Future Rule 46 114
Disputes on, Future Rule 46 114
Duty of Superintendent, Future Rule 46 114
First offer to buy or sell, Future Rule 46 114
Fines imposed on, Rules of Order 10 206–207
Hours of, Future Rule 46 114
Manner of Conducting, Future Rule 46 114
Rules Governing, Rules of Order 206–207
Certificated Cotton—Bills for certification, Future Rule 28 103–104
Certificates invalidated, Future Rule 20, Sec. 2 93
Cost of, Future Rule 28 103–104
Damage by fire, Future Rule 27 102–103
Stored only in licensed warehouse, Future Rule 29 105
Charges—(See Fees and Charges).
Charter 1–7
Claims—Against a deceased Member, Future Rules 60-64 133–135–136
Against a failed Member, Future Rules 55-57 130–132
Against a member who has not announced his failure, Future Rule 56 131
Arising out of Transactions, By-Laws, Article XIV; General Rule 13 27–198
For Fraudulent packing, Future Rules 29-31 105
For irregularities in cotton, Rule 28 65
Loss in weight, Rules 27-32-35-37 65–66–67
On sales of spot cotton, Rules 15-16-17-18-19 44–45
On sales to arrive cotton, Rule 11 52–53
Classers—Additional Future Rule 8, Sec. 4 80
Classification of Cotton for Contract Delivery—(See Inspection).
Clerks—By-Laws, Article XVI; General Rule 6 28–29–194
Closing of Exchange—By-Laws, Article II; Future Rules 38, Sec. 3 20–109
Commission Law—Future Rule 47 114–115
COMMISSION LAW—RULINGS ON:
Number 1. Commissions must be paid on round transaction dating from its initiation; not from its completion 117
" 2. No arrangements affecting net amount of commission permissible 117
" 3. Members employed by firms cannot confer benefit of membership rates on the employers 117
" 4. Monthly salaries for soliciting, and variable monthly charges for use of wires prohibited 117
" 5. Commendam partnership 117
" 6. Special partners, etc 117
" 7. Salaried agents—terms of employment 117–118
" 8. Rebates to members and others not permissible 118
" 9. No waivers of commission on account of errors 118

Number 10. Corporations in cotton business whose managing officer is a member are entitled to minimum rates 118–119
" 11. Only regular articled firms of which one partner is a member of the Exchange entitled to minimum commissions 119
" 12. Managers of branch offices cannot participate in profits of offices unless members of firm..... 119
" 13. Maximum commission charge for delivery of cotton on contract 119
" 14. Full commission charged on order from a non-member for a full member, where former neglects to give latter's name..... 119
" 15. Commissions not chargeable for transfer where party carrying contracts disposes of his business to another 119
" 16. Constituents of suspended firms..... 119
" 17. Where the same firm does business in New Orleans and elsewhere under different titles..... 119–120
" 18. Offsets of a firm's contracts against those in name of their agent cannot be made for commission purposes 120
" 19. Membership by a paid employee of a firm does not extend to such firm advantages of such membership 120
" 20. Firms or private wire houses cannot pay an operator's salary at an interior point..... 120
" 21. Same as ruling 9..... 120
" 22. Part use of wires may be furnished on payment of fixed monthly rental..... 120
Fixed tolls per hundred bales for use of wire prohibited 120
Branch offices, regulations for establishment of same 120–121
Members leasing private wires, duties of same..... 121
" 23. When a private wire may not transmit messages free of charge..... 121
Future brokerage firms prohibited from paying for sending messages relating to the market from one party to another..... 121
" 24. Wire houses cannot pay for telephone lines from correspondents' offices for use of customers..... 121
" 25. How Contracts should be carried to obtain rebate on non-members' business..... 121
" 26. When employees' salaries may be increased..... 121–122
" 27. Salaried employees forbidden to receive rebate commission 122
" 28. Salaries of operators at relay stations, etc..... 122
" 29. When a firm may not employ a member at a stipulated salary 122
" 30. Broker may bear cost of telegraph or telephone messages 122
" 31. Interest on margins not allowed..... 122
" 32. Honorary members entitled to members' commission rates 122
" 33. Rate of commission chargeable on contracts of firm transferred to non-members..... 122

Number 34. Brokers prohibited from accepting services of telegraph operators or person having other regular occupation 122–123
" 35. Membes may bear cost C. N. D. service 123
" 36. Brokers prohibited from sharing expenses of operating cotton exchanges at interior points 123
" 37. Paid employees of exchange or boards of trade not eligible as representatives or agents of brokers in securing business 123
" 38. Member cannot contribute use of share of Exchange Stock 123
" 39. Employing non-member with condition of dividing losses on business secured by agent 123–124

Committees—Arbitration, By-Laws, Articles III-IX 21–24–25
Appeals on Arbitration, By-Laws, Articles III-X 21–24–25
Appeal Committee on Classification, Future Rules 5-10, General Rule 13 76–80–81–197
Appeal Committee on Staple allowance—Future Rule 14 87
Board of Classers, Future Rules 5-8 76–79–80
Books, By-Laws, Article XXI 31
Building, General Rule 13 197
Certifying to election or non-election of applicants, etc., General Rule 19 201
Commissions, Future Rule 53; General Rule 13 128–197
Cotton Seed and Cotton Seed Products 181–182
Credits, By-Laws, Article XX 30
Exchange Quotations, General Rule 13 197
Finance, By-Laws, Articles III-VIII; General Rule 15 21–23–199
Floor, Future Rule 40; General Rule 13; Rules or Order 1-10 111–205–206–207
Freight Discrimination, General Rule 13 197
Futures, Future Rule 52; General Rule 13 128–197
General Appeal, General Rule 13 197
General Arbitration, General Rule 13 197
Information and Statistics, By-Laws, Articles III-VI; General Rule 13 21–22–197
Insurance, General Rule 13 196
Legislation, General Rule 13 198
Membership, Constitution, Articles VIII-IX; By-Laws, Articles III-V-XIII-XV; General Rules 18 15–16–21–22–26–28–200–201
Nominating Committee, By-Laws, Article I, Sec. 4 19
Protection of Shipping, General Rule 13 197
Rules, General Rule 13 197
Spot Quotations, By-Laws, Article VII; Future Rule 15; General Rule 16 23–88–200
Supervision and Deliveries, Future Rules 5-6; General Rule 13; Supervision 3; 76–77–196–211–212
Supervisory, Future Rules 52-53-55-56-57-61-62; General Rule 13 128–129–130–131–132–134–135–197
Valuation of Staple Cotton—Future Rule 14, Section 5 86
Weather, General Rule 13 197
Complaints—General Constitution, Article VIII; By-Laws, Article XV 15–28
Against parties licensed by Exchange—Future Rule 6, Paragraph 3 77
Floor Committee, Rules of Order 1-10 205–206
Contracts—By-Laws, Article XVIII 30

Above or below Bid or Offered price, Future Rules 40 46 110–114
After prescribed hours, entered into, Future Rule 39, Sec. 3 ... 110
Amendment of Rules, By-Laws, Article IV ... 22
Binding, when, Future Rule 48 ... 124
Closing, Future Rule 48 ... 125
Cotton to arrive (see to arrive Rules).
Decimals, Future Rule 40 ... 111
Disputes, Future Rule 46 ... 114
Entered into upon last day of trading, Future Rule 23 ... 99
Failure to deliver or receive, Future Rule 25 ... 100–101
Final settlement of, Future Rule 21, Sec. 2 ... 94
Form of Contract, Future Rule 1 ... 71–72
Form of Order to Buy or Sell, Future Rule 2 ... 74
Form of Memorandum slip, Future Rule 45 ... 112–113
Giving up name of principal, Future Rule 48, Sec. 3 ... 125
Holidays, falling due on, By-Laws, Article XVIII; Future Rule 38 ... 30–109
Legal demand for delivery, Future Rules 21-22 ... 93–96
Notices shall be accepted, Future Rule 22 ... 96
Notice of demand of delivery, Future Rules 21-22 ... 93-96
Offers to buy or sell, Future Rules 40-46 ... 110–111–114
Offsets and substitutions, Future Rules 25, Sec. 2, 48 ... 101–125
Parties to Contracts must be Members—By-Laws, Article XVIII ... 30
Priority of bids, Future Rule 40 ... 110
Payment for deliveries on, Future Rule 21, Sec. 5; 26 ... 95–102
Reporting sales, Future Rule 41 ... 111
Reporting transactions to principals, Future Rule 42 ... 112
Seller to furnish slips, Future Rule 45 ... 112
Signing of slips, Future Rule 45 ... 112
Slips must be signed by members, Future Rule 45 ... 112
Substitution of names, Future Rule 25, Sec. 2 ... 100
Trading between members of same firm, Future Rule 44 ... 112
Termination of, dependent on delivery, Future Rule 48 ... 124
Verbal Order to buy or sell, Future Rules 1-2 ... 73–74
Verbal, margins may be called on, Future Rule 49 ... 125
When trading shall cease, Future Rule 23 ... 99
Controversies, between members, By-Laws, Articles IX-XIV ... 24–27
Co-Partnerships, General Rule 4, Sec. 2 ... 194
Cotton to Arrive, (See to Arrive Rules).
Cotton Seed and Cotton Seed Products.
Arbitration fees, by whom paid, Rule 1 ... 181
Arbitration, Committee on, Rule 1 ... 181
Affidavits, Rule 16 ... 185–186
Brokerage, by whom paid, Rule 6 ... 183
Barrels for export, Rule 50 ... 190
Committee—how appointed, Rule 1 ... 181
Committee—its duties, Rule 1 ... 181
Committee—to act as arbitrators, Rule 1 ... 181
Committee—fees when serving as arbitrators, Rule 1 ... 181
Claim, form of, Rule 17 ... 185
Claims, when to be made, Rule 14 ... 185
Claims on C. I. F. Contracts, when to be made, Rule 15 ... 185
Crude oil, how sold, Rule 19 ... 186
Crude oil, how classed, Rule 20 ... 186
Choice refined oil, Rule 24 ... 187
Cotton seed cake, pounds per ton, Rule 28 ... 188

Cotton seed cake, how classed, Rule 29 188
Choice cake, Rule 29 188
Cake, how packed, Rule 32 188
Cotton seed meal, measurement and classification, Rule 33 188
Cotton seed, carload, Rule 38 189
Cotton seed, how classed, Rule 39 189
Cotton seed, prime, Rule 40 189
Cotton seed, off, Rule 41 189
Contracts, based upon shipside delivery, Rule 43 190
Contracts, F. O. B. terms, how construed, Rule 44 190
Contracts, seller's responsibility, Rule 45 190
Cooperage, Rule 49 190
Deliveries below grade, buyers' rights, Rule 48 190
Linters, classification of, Rule 1 181
Measurement of crude oil, Rule 18 186
Meal, choice, Rule 34 189
Meal, prime, Rule 35 189
Meal, off, Rule 36 189
Meal, how packed, Rule 37 189
Off oil, Rule 22 187
Off cake, Rule 31 188
Off refined oil, Rule 26 187
Private settlements not prohibited, Rule 1 181
Payment of non-resident buyers, Rule 4 183
Payment, when due, Rule 5 183
Prime crude oil, classification, Rule 21 187
Prime refined oil, Rule 25 187
Prime cake, Rule 30 188
Quotations, by whom furnished, Rule 1 181
Rules, when applicable, Rule 8 183
Refined oil, how classed, Rule 23 187
Reclammations, limit of time, Rule 46 190
Sales, how made, Rule 2 182
Seller's liability, Rule 15 185
Soap stock, Rule 27 187
Seed, delinted, Rule 42 189
Samples, how drawn, Rule 47 190
Sales, terms of, Rule 3 182
Telegrams, when open, Rule 7 183
Terms, Rule 9 183
Tanks, when to be furnished, Rule 10 184
Tanks, when to be loaded, Rule 11 184
Time contracts, Rule 12 184
Time contracts, duty of mill, Rule 13 184

Deceased Members, Arbitrations and appeals, Future Rules 58-59-60 132–133
Claims against, Future Rules 58-59-60-64 132–133–135
Contracts closed, if the only Exchange member of his firm, Future Rule 64 135
Executor, duties and privileges of, Future Rules 58-59-60-64 132–133–135
Notice of death shall be posted, Future Rule 64 135
Sole seller or buyer of contracts, Future Rule 64 135
Statements of claims against, Future Rules 58-59-60-64 132–133–135

Deficiency in Weight, Settlements for, Future Rule 25 100–101

Delivery of Cotton on Contract—
Appeals on Classification, Future Rules 10-16-25 80–81–91–100–101

Board of Classers, duties of in relation to, Future Rule 8 79
Certificates of grades, how and when issued, Future Rule 20 92–93
Classification, how procured, Future Rules 16-17.....89–90–91
Compressed and shipmarked cotton, Future Rule13, Secs. 6-7-8 85
Damaged by fire, smoke or water, Future Rule 27..... 102–103
Delivery, what constitutes a good, Future Rule 21....93–94–95–96
Exceptions, under what conditions made, Future Rule 33 106–107
False Packed, seedy, sandy, gin-cut, etc., Future Rule 17 91
Fees, Future Rules 10, Sec. 6; 14, Sec. 7-28.....81–87–103–104
Final settlement for, Future Rule 21, Sec. 2..... 94
Fire, cotton damaged, Future Rule 27..... 102–103
General Provisions governing, Future Rule 3..... 74–75
Holidays, affecting deliveries, Future Rule 38..... 109
Inspection Bureau, may be used by trade, Future Rule 33 106–107
Inspection and classification, how procured, Future Rule 16 89–90–91
Interference with Inspection, Weighing, etc.—Future Rule 35 108
Legal demand for cotton, Future Rule 21, Sec. 5..... 91
License, Warehousemen, Inspectors, Weighers, etc., must have, Future Rule 4 75–76
Limit of tender, Future Rule 1, Sec. 4-17..... 73–91
Margin may be called any time before delivery—Future Rule 50, Sec. 2..... 127
Mixed packed cotton, sandy, dusty, Future Rule 13..... 84–85
Notices, Future Rules 22-23.....96–97–98–99
Notice or certificate of deliverer, Future Rule 3..... 74–75
Notice Day, Future Rule 22..... 96
Payment for, Future Rule 21, Sec. 5-26..... 95–102
Penalty for non-delivery of receipts, Future Rule 25..... 100–101
Record of, Future Rule 24..... 100
Rejections, Bales subject to, Future Rule 17..... 91
Rejections may be submitted to Board of Examiners, Future Rule 12, Sec. 2..... 83
Review (Appeal) of classification—Future Rule 25..... 101
Samples, exposure of, Future Rule 10, Sec. 5..... 81
Samples, ownership of, Future Rules 16-17-18..... 91–92
Samples, delivery of, Future Rule 18..... 91–92
Samples, preparation of, for classification, Future Rules 3-12 74–75–83
Sampling, Inspecting, etc., at R. R., Future Rule 13, Sec. 9 85
Sandy, Dusty, etc., Future Rule 13..... 84–85
Settlements, Future Rules 15-25.....88–100–101
Spot trade may use Inspection Bureau, Future Rule 33.. 106–107
Staple cotton, Future Rule 14.....86–87–88
Staple cotton, Premium for, Future Rule 14, Secs. 4-5-6.... 86–87
Staple cotton, Fees for valuation, Future Rule 14, Sec.7.... 87
Trading in current month, last day of, Future Rule 23.... 99
To arrive, trade may use Inspection Bureau, Future Rule 33 106–107
Transferable notices, Future Rule 22.....96–97–98–99
Tender by deliverer on his own notice or certificate, Future Rule 3..... 74–75
Transferable notice, price at which issued, Future Rule 22 96
Type Standards, Future Rule 37..... 108–109

Valuation Sandy and Dusty cotton, Future Rule 15, Sec. 4 88
Warehouse, what constitutes one, Future Rule 34 107–108
Warehouse receipts, when and how issued, to be stamped, Future Rule 19 92
Warehouse receipts, failure to deliver, etc., Future Rule 25 100
Water, cotton damaged by, Future Rule 17 102–103
Weights, allowances, Future Rule 21, Sec. 4 95
Weight returns, Future Rule 11 82
Delivery of Spot Cotton (See Cotton Sold Ex-Warehouse, Rules governing transactions in).
Depositories for Margins:
Future Rule 50, Sec. 3 127
Disputes Between Members:
Arbitration of, By-Laws, Articles IX-XIV 24–27
Arbitration, demand for, By-Laws, Article XIV 27
On call, settled by party making call, Future Rule 46 114
Other than on call, referred to Floor Committee, Rules of Order, 1-3 205
Submitting to members present, Future Rule 40 110–111
When referred to Committee on Futures, Future Rules 41-53 111-128
Dues Annual:
Failure to pay and penalty, Constitution, Article VI; General Rule 2 13–193
For clerks, Article XVI, By-Laws; General Rule 6 28–29–194–195
Election:
Annual, Charter, Article VI; Constitution, Article III; By-Laws, Article 1 4–5–12–19
Inspectors of Election, duties, Charter, Article VI; By-Laws, Article I 4–19
Of members, Constitution, Article V; By-Laws, Articles V-XIII; General Rule 19 12–22–26–201
Exchange Business and Property:
Charter, Article VI; By-Laws, Articles I-III 4–5–19–21
Expelled Members—Readmission—Constitution, Article IX 16
Expulsion:
Fon connection with a Bucket Shop, General Rule 18 200–201
For General reasons, Constitution, Article VIII; General Rule 18 15–200–201
For trading after hours, Future Rule 39, Sec. 2 110
For Reporting False Sales, Future Rule 41 111
For Violating the Commission Law, Future Rule 47 116
Ex-Warehouse—Sales of Cotton:
Average price, compensation for grades on, Rule 5 39
Allowances, how arrived at, Rule 13 43
Bagging, amount used to cover bales, Rule 8 40–41
Bagging, excess of, Rule 8 40–41
Bagging, unmerchantable, Rule 9 42
Buyers' right when cotton is in unmerchantable condition, Rule 10 42
Brokers, duties of, purchasing for parties not members, Rule 12 43
Contract of sale, when final, Rule 1 35
Classing and grading by Exchange, Rule 3 36–37–38
Commissions on buying and selling, Rule 20 45
Compressed bales, allowance on, Rule 7 39
Classing, inspecting and sampling, Rule 3 36–37–38
Delivery, when completed, Rule 11 42

Delivery, payment on account before, Rule 11 42
Falsely or fradulently packed cotton, Rule 15 44
Fees, Rule 3 36–37–38
Guarantee of Exchange, Rule 3, Sec. 2 37
Grading and Classing by Exchange, Rule 3, Sec. 4 38
Inspecting, Sampling and Classing, Rule 3 36–37–38
Irregularities, claims for, Rule 15 44
Limit of time for receipt, Rule 2 35
Light-weight bales, Rule 6 39
Merchantable condition, guarantee of, Rule 10 42
Members, duties of, when buying from or selling to parties not members, Rule 12 43
Mutual agreement as to receipt and delivery, Rule 2, Sec. 7 36
Payment, when due, Rule 2 35–36
Patching uncompressed cotton, Rule 7, Sec. 6 40
Reclamations, form in which must be presented, Rule 16 44
Reclamation, arbitrations on, Rule 18 45
Reclamations, limit of time for presenting, Rule 17 44
Reclamations on false packed cotton stored in New Orleans, Rule 19 45
Reserve samples, examination of, Rule 3, Sec. 1 37
Re-weigher, absence of buyer's, procedure, Rule 13 43
Seller's right when cotton not received, Rule 2 35
Samples, when must be removed, Rule 3, Sec. 3 37
Sampling, Inspecting and Classing, Rule 3 36–37–38
Scales, testing of, Rule 14 44
Tare, how ascertained, Rule 8 40–41
Testing scales, Rule 14 44
Ties, number and weight of, Rule 7 39–40
Weighing through Exchange, Rule 13 43
Weighers, duties of Factor's and Buyer's, Rule 13 43
Weighing by seller, Rule 13 43

Failures:
Voluntary notices of, Future Rule 55 130
Forced notices of, Future Rule 56 131
Record of claims, Future Rule 57 132
Rights of failed members, Future Rule 58 132
Arbitrations on claims, Future Rule 59 133
Appeals on claims, Future Rule 60 133
Schedule of failed members, Future Rule 61 134
Re-instatement of failed members, Future Rule 62 134–135

False Packed Cotton, Etc.:
Ex-warehouse, Rule 15; (to arrive), Rule 11; Future Rules 17-30 44–52–53–91–105

Fees and Charges:
Annual dues, Constitution, Article VI 13
Arbitrations, By-Laws, Article 9; Cotton Seed Rule 1; General Rule 13, Sec. 2 24–181–198
Appeals on arbitrations, By-Laws, Article X; General Rule 13, Sec. 3 24–25–199
Appeals on classification, Future Rule 10, Sec. 6 81
Appeals on valuation staple cotton, Future Rule 14, Sec. 7 87
Brokerage on contracts, Future Rule 47 114–115–116–117
Brokerage on spot cotton, Rule 20 45
Classing and certificating for delivery, Future Rule 28 103–104
Clerks, By-Laws, Article XVI; General Rule 6 28–29–194
Classing on appeal, Future Rule 10, Sec. 6, 28 81–103–104

Damaged by smoke or water, examinations of cotton, Future Rule 27 102
Initiation, Constitution, Article VI 13
Inspection for spot and to arrive trade, Future Rule 33 106–107
Inspection for Contract delivery, Future Rule 28, Sec. 1.. 103–104
Interference with inspection, Future Rule 35 108
Opening inspected bales to ascertain sand, Future Rule 13 84–85
Rejections, passing upon, Future Rule 28 103
Samples, failure to deliver to receiver, Future Rule 18.... 91
Samples, lost or destroyed, Future Rule 36 108–109
Staple cotton, valuation of, Future Rule 14 86–87
Staple, premium for, Future Rule 14 86–87
Withdrawing from warehouse, Future Rule 20, Sec. 2 93

Fictitious Names, Use of:
Future Rule 22 99

Finance Committee:
By-Laws, Articles III-VIII; General Rule 15 21–23–24–199

Fines:
Betting or offering to bet, Rules of Order 9 206
Calls on, Rules of Order 206–207
Disorderly conduct on floor, Rules of Order 3 205
Matching to fix prices of trade, Rule of Order 9 206
Marking Board, etc., Rules of Order 4 205
Non-payment of Annual dues or assessments, Constitution, Article VI; General Rule 2 13–193
Non-payment of fees, Constitution, Article VI 13
Smoking, Rules of Order 8 206
Split prices, Future Rule 40 110–111
Trading after hours, Future Rule 39, Secs. 2-3 110
Trading in puts and calls, Future Rule 39, Sec. 4 110
Violations of By-Laws by representative of absent member, By-Laws, Article XVI 28–29
Violations of decorum, Rules of Order 2 205

Fire-Damaged Cotton:
Future Rule 27 102–103

Floor Committee:
General Rule 13; Rules of Order, 1-2-3-4-5-6-7-8-9-10.... 197–205–206

Floor Privileges:
Constitution, Article IV; By-Laws, Article XVI, General Rules 10-11-12 12–28–29–195–196

Forms:
Classification returns, Future Rule 16, Secs. 5-17-20 91–92–93
Contract, Future Rule 1 71–72
Contract (Cotton to arrive), Rule 15 57
Contract slips, Future Rule 45 113
Of oath administered to Assistant Inspectors, Future Rule 6 77–78
Of request for Inspection of cotton, Future Rule 15, Sec. 2 89
Of request for supervision of cotton withdrawn from warehouse, Future Rule 20, Sec. 3 93
Order to buy or sell contracts, Future Rule 2 74
Power of Attorney, for member to do business for another member, Future Rule 54 129
Transfer of contract, Future Rule 22 96
Transferable notice, Future Rule 22 96

Free on Board Cotton:—(See "To Arrive").

Futures, Committee on:
Disputes referred to, Future Rule 53 128

Future Quotations Committee:
Duty when no sales reported, Future Rule 63 135
Gin-Cut Cotton:
Future Rule 17 91
Gin-Fall Cotton:
Future Rule 17 91
Grade, Certificate of:
Future Rule 20 92
Grades of Cotton Deliverable on Contracts:
Future Rules 15-17 88–91
Holidays:
Contracts falling due on, By-Laws, Article XVIII; Future Rule 38, Secs. 1-2 30–109
How declared, By-Laws, Article II, Sec. 3; Future Rule 38, Sec. 3 20–109
Hours:
Exchange (opening and closing), By-Laws, Article II, Sec. 3; Future Rule 38, Sec. 3 20–109
Trading after, Future Rule 40, Secs. 2-3 110
Immature Staple:
Future Rule 17 91
Information and Statistics, Committee of:
By-Laws, Article III-VI; General Rule 13 21–22–197
Initiation Fee:
Constitution, Article VI; General Rules 2 13–193
Inspection and Classification of Cotton for Contract Delivery:
Absence of direction as to marking, Future Rule 16 89
Absence of Member of Appeal Committee on Classification, Future Rule 10 82
Absence of Member of Appeal Committee on Valuation, Future Rule 14, Sec. 8 88
Additional Classers, Future Rule 8 80
Allowance for staple, Future Rule 14 86–87–88
Allowance for storage charges, Future Rule 21, Sec. 3 95
Allowance for weight, Future Rule 21, Sec. 4 95
Allowance on compressed cotton, Future Rule 13, Secs. 7-8 85
Appeal from Classification, Future Rule 21, Sec. 2 94
Arbitrations by Board of Classers other than deliveries on Future Contracts, Future Rule 33 106
Bands, Removal of, Future Rule 13, Sec. 4 84
Bill for certification charges, Future Rule 28, Sec. 2 104
Bills in case of delivery on Saturdays, Future Rule 21, Sec. 5 95
Bills for rejections, Future Rule 28, Sec. 2 104
Board of classers, duties of, Future Rule 8 79–80
Certificate of Grade (See Grade Certificate), Future Rule 20 92–93
Certification, General provisions governing, Future Rule 3 74–75
Charge for classing on appeal, Future Rule 10, Sec. 6 81
Charge for Inspecting, etc., Future Rule 28 103
Charge for rejections, Future Rule 28 103
Charge for appeal on staple valuation, Future Rule 14, Sec. 7 87
Charge for staple valuation, Future Rule 14, Sec. 7 87
Claims on Inspection Fund, Future Rule 31 105
Classers, additional, Future Rule 8 80
Classification, General provisions covering, Future Rule 3 74–75

Classing, procedure in, Future Rules 16-17 89–90–91
Clerk Board of Classers, Future Rule 9 80
Cotton not ready for, penalty, in case of, Future Rule 16 89
Committee on Suprvision and Deliveries, Future Rules 4-6 75–76–77
Compressed cotton, Future Rule 13, Sec. 6 85
Damage by smoke or water, examination of, Future Rule 27 102–103
Deficiency in weight, settlement for, Future Rule 25 100–101
Delivery complete when certificate of grade and warehouse receipt delivered, Future Rule 21, Sec. 1 93–94
Dust and sand, cotton containing, valuation of, Future Rule 15, Sec. 4 88
Excess of sand, seed and dirt, Future Rule 17 91
Expenses, receiver's share of, Future Rule 28, Sec. 1 103–104
Failure to pay bills for Inspection, Future Rule 28, Sec. 2 104
Failure to deliver certificates, Future Rule 21, Sec. 2 94
False Packed, Gin-Cut, sandy, seedy, etc., Future Rules 17-31 91–105–106
False Packed, responsibility for, Future Rule 30 105
Fire in warehouse, Future Rule 27 102
Form of Classification returns, Future Rule 20 92
Form of request for inspection, Future Rule 16, Sec. 2 89
Gin fall cotton, Future Rule 17 91
Grade certificate, Future Rule 20 92–93
Grades, intermediary, Future Rule 15 88
Grades used in classing, Future Rules 8, Sec. 3; 10, Sec. 8; 37 79–81–108
Immature staple, Future Rule 17 91
Inspecting for sound and merchantable, Future Rule 12, Sec .2 83–84
Inspecting, Method of, Future Rules 12, Sec. 2; 16, Sec. 3 83–84–90
Inspection, charge for, Future Rule 28 103–104
Inspection Fund, Future Rules 31-32 105–106
Inspection, General provisions covering, Future Rule 3 74–75
Inspection, request for, Future Rule 16, Sec. 2 89–90
Inspector-in-Chief (See under I).
Inspectors (See under I).
Interference with Inspection, Future Rule 35 108
Liability of Inspection Fund of Exchange, Future Rules 31-32 105–106
Licenses, Future Rules 4-6 75–76
Lost or destroyed samples, Future Rule 36 108
Margin may be called at any time before delivery, Future Rule 50, Sec. 2 127
Marking, absence of direction as to, Future Rule 16, Sec. 1 89
Memorandum of class, Future Rule 16, Secs. 5-20 91–92–93
Mixed Packed cotton, Future Rule 13 84
Moisture, possible damage from, Future Rule 16, Sec. 4 90
Notice of Grade, written, Future Rule 21, Secs. 1-2-5, and Rule 22 93–94–95–97
Notification of holding transferable notice must be stamped, Future Rule 21, Sec. 5 95
Plated cotton, Future Rule 17 91
Priority of caims on Inspection Fund, Future Rule 32 102

Perished staple, Future Rule 17 91
Quarter grades, Future Rule 15, Sec. 3 88
Re-baled cotton, Future Rule 17 91
Recording of classification and weight, Future Rule 19, Sec. 2; 20, Sec. 2 92–93
Re-ginned cotton, Future Rule 17 91
Rejections, bales subject to, Future Rule 17 91
Re-packed cotton, Future Rule 17 91
Request for inspection, Future Rule 16, Sec. 2 89
Samples (See under S).
Sampling, method of, Future Rule 12 83
Sand, Dust, Dirt, etc., Future Rules 13-17 84–85–91
Sand or dirt, cotton containing, valuation of, Future Rule 15, Sec. 4 88
Settlement of contracts, Future Rule 25 100
Settlements of grade differences to liquidate future contracts, Future Rule 15, Sec. 2 88
Staple, allowance and premium for, Future Rule 14 86–87–88
Staple, minimum length deliverable, Future Rule 1, Secs. 2-17 72–91
Staple, Perished or immature, Future Rule 17 91
Staple, maximum premium allowed, Future Rule 14, Sec. 1 86
Staple, right of appeal, Future Rules 8, Sec. 2; 14 79–77
Staple, Valuation of, Future Rule 14, Sec. 5 86
Storage charges, Future Rule 21, Sec. 3 95
Storage of certificated cotton, Future Rule 29 105
Tags, Future Rules 11-12 82–83
Time limit of, for making claims on Inspection Fund, Future Rule 31 105
Transfer of certificated cotton, Future Rule 29 105
Type Standards, Future Rule 37 108
Valuation, Appeal Committee on, Future Rule 14, Sec. 6 87
Valuation, Committee on, Future Rule 14, Sec. 5 87
Unmerchantable cotton, Future Rule 17 91
Warehouse receipts, Future Rules 19-21 92–93
Warehouse receipts, Indorsement of, must be witnessed, Future Rule 21, Sec. 1 93
Weighing (See under "W").
Weight, deficiency in. settlement for, Future Rule 25, Sec. 1 100

Inspection Bureau:
Bills for Inspection, etc., Future Rule 28, Secs. 2-3 104
Committee on Supervision and Deliveries, duties of, Future Rules 4-6 75–76
Certificate of Grade or written notice of grade, Future Rules 3-17-20-21 74–91–92–93
Inspection, request for, Future Rule 16, Secs. 1-2 89–90
May be used by trade in spots and to arrive, Future Rule 33 107
Organization of, Future Rules 6-7-8 76–77–78–79
Samples, Retention of, Future Rule 18 91
Samples, ownership of, Future Rule 18 91
Weight, notation of on Warehouse receipts, Future Rule 20. Sec. 2 92

Inspection Fund:
Claims against, Future Rules 31-32 105–106

Constitution of, Future Rule 28, Sec. 3 104
False packed cotton, responsibility of, Future Rule 30 105
Inspector-in-Chief:
Appointment of, Future Rules 5, 7, Sec. 1 76–78
Assistant Inspectors, appointment of, Future Rule 7, Sec. 1 78
Chairman Board of Classers, shall be, Future Rule 7, Sec. 1 78
Cotton not ready for inspection shall report to Committee on Supervision and Deliveries, Future Rule 16 (3) 89
Damage by fire, smoke or water, duties in case, Future Rule 27 102–103
Delivery of cotton sold ex-warehouse or to arrive, Future Rule 33 106–107
Duties, General, Future Rules 7, 8, 16 78–79–89
Salary of, Future Rule 8, Sec. 1 79
Inspectors:
Duties of, Future Rules 7-11-12-16, Secs. 3-4 78–82–83–89–90
Inspection of cotton, Future Rule 16, Secs. 3-4 89–90
License, must be, Future Rule 4 75
Oath required of, Future Rule 6 (5) 77
Rejections by, Future Rule 12 83–84
Samples of bales rejected by, shall be preserved, Future Rule 12, Sec. 2 83–84
Inspectors of Elections:
Charter, Article VI; By-Laws, Article I, Sec. 2 4–19
Interference With Inspection:
Future Rule 35 108
Intermediary Grades:
Future Rule 15, Sec. 3 88
Legislation, Committee on:
General Rule 13 198
Levee Inspection:
Annual election of Inspectors, Rule 1 219
Benefit of Rules allowed to non-members, Rule 14 222
Certificates of condition of cargoes to be forwarded to ports of destination, Rule 7 220
Chief Supervisor's report to Supervision and Deliveries Committee, Rule 10 221
Certificates of cotton unfit for shipment, Rule 11 221
Duties and powers of President of Exchange, Rule 2 219
Duties of Levee Inspectors, Rule 3 219
Daily reports of cargoes, weather, etc., Rule 4 220
Deck loads and receipts on shipboard of cotton in bad condition, Rule 5 220
Election and term of office of Inspectors, Rule 1 219
Fees on local shipments, Rule 12 222
Fees on Transit cotton, Rule 13 222
Interference with Inspectors on duty, Rule 9 221
Payments of inspection fees through brokers, Rule 12 222
Salaries of Chief's Assistants, Rule 1 219
Skidding receipts by steamboats, Rule 6 220
Shipmasters refusing to facilitate Inspections, Rule 8 221
Superintendent's duties relative to bills, Rule 12 222
Liability of Exchange:
Inspection Fund, Future Rues 31-32 105–106
On false-packed, Future Rule 30 105
Licenses:
Cancellation, Future Rule 4 (4) 76

Issuance of, Future Rule 4 75
Parties engaged in handling cotton, Future Rule 4 75
Suspension of, Future Rule 6 (4) 77
Warehouse, of, Future Rule 4 (4) 77
LIMIT OF TENDERS—On Contracts, Future Rule 1, Sec. 4 73
LIMIT OF FLUCTUATIONS—Future Rule 1-A 74
Linters:
Cotton seed products, Rule 1 (C) 181
Loose Cotton:
Supervision Rules 7-10-11-12-13-18 213–214–215–216
Lot Numbers:
Future Rules 11-12-16 82–83–90
Margins:
Banks as depositories of margins, Future Rule 50, Sec. 3 127
Bid prices governing calls for, Future Rule 50, Sec. 1 127
Certified checks for margins, Future Rule 51, Sec. 1 127
Depository for, Future Rule 50, Sec. 3 127
Disputes as to amounts due, Future Rule 51, Sec. 2 127–128
Failure to deposit, Future Rule 50, Sec. 1 127
Hours for depositing with Superintendent, Future Rules 49-50 125–126–127
Interest on margins deposited (C. L. R. 31) 122
May be called after ring is formed, Future Rule 48, Sec. 4 125
May be called at any time before delivery, Future Rule 50, Sec. 2 127
Office of member called, procedure when closed, or unknown, Future Rule 50, Sec. 1 126
Original, Future Rule 49 125–126
Release of, Future Rule 51, Sec. 2 127
Risks, at whose, Future Rule 51, Sec. 3 128
Settlements on contracts closed because of failure to deposit, Future Rule 50 127
Verbal contracts may be called on, Future Rule 49, Sec. 6 125
Marking Space on Bales:
Rule 10 42
Future Rule 13, Sec. 6 85
Meetings:
Board of Directors, By-Laws, Article II 20
Exchange, Constitution, Article X; By-Laws, Article II 16–20
Members and Memberships:
Admission of members, Constitution, Article V 12
Applicants and applications for, Constitution, Article V; By-Laws, Article XIII; General Rule 12 12–26–196
Bucket Shops, connection with, General Rule 18 200–201
Charges against, Constitution, Articles VIII 15
Circulars published by, General Rule 18, Sec. 2 201
Committee on, By-Laws, Articles III-V 21–22
Complaints of members, By-Laws, Article XV 28
Deceased members, Future Rule 64 135
Duties of members, Constitution, Article VII 14
Failed members, Future Rules 55-56-57-58-59-60-61-62 130–131–132–133–134–135
Failure to pay fines, dues, awards, etc., Constitution, Article VI; General Rule 2 13–193
Initiation fees, Annual dues; Constitution, Article VI 13
Misstatements published by, General Rule 18, Sec. 2 201
Objectionable partnerships, General Rule 4, Sec. 2 .....

Partners of deceased members, General Rule 4 194
Powers of Attorney, granted by, By-Laws, Article XVI; General Rule 6 28–29–194
Qualifications for, Constitution, Article IV 12
Reinstatement of failed, Future Rule 62 134
Request for revocation of visitor's car, General Rule 10 196
Resignations from, Charter; Article IV; Constitution, Article VIII; General Rule 5 4–15–194
Settlement of claims of, By-Laws, Article XIV 27
Share of capital stock, must hold at least one, Charter, Article IV 4
Violations of decorum by, Rules of Order 205–206
Writing or marking on Boards, General Rule 8 195

Merchantable Cotton:
Minimum weight for, Ex-warehouse Rule 6 39

Memorandum of Class:
Future Rules 3, 16; Sec. 5-17 74–90–91

Mixed Packed Cotton:
Future Rules 13-17 84–85–91

Moisture:
Future Rule 16, Sec. 4 90

Nominating Committee:
By-Laws, Article I, Sec. 4 19

Non-Members:
Rights of, Constitution, Article VIII 15

Notice Days:
Future Rules 22-23 96–99

Notices (See Transferable Notices).

Oaths:
On licensing Assistant Inspecotrs, Future Rule 6 (5) 77

Offers to Buy or Sell:
Acceptance of whole quantity offered takes precedence, Future Rule 40 110
Disputes arising from, Future Rule 40 110
Limit of Fluctuations, Future Rule 1-A 73
On calls, Future Rule 46 114
Split prices, Future Rule 40 (3) 111
When not made on business days and prescribed hours, Future Rule 39, Secs. 2-3 110
When vacated, Future Rule 46 114

Officers of the Exchange:
Constitution, Article III; By-Laws, Article III 12–21
Board of Directors (See under B), Charter, Article VI 4–5
President (See under P), Charter, Article VI 4–5
President pro tem, By-Laws, Articles II-III 20–21
Vice President (See under V), Charter, Article VI; By-Laws, Article II 4–5–20
Treasurer (See under T), Charter, Article VI; By-Laws, Article XII 4–5–25
Treasurer pro tem, By-Laws, Article III 21
Secretary (See under S), By-Laws, Article XI 25

Officers:
Closed, where notice is to be delivered, Future Rule 22 96
Closed or unknown in case of margin call, Future Rule 50 126
Members must have offices within half mile of Exchange for service of notice, etc., Future Rule 43 112

Offsets and Substitutions:
Future Rule 25, Sec. 2; 48, Sec. 3 101–102–125

Orders to Buy and Sell:
Subject to By-Laws and Rules and to U. S. Cotton Futures Act, Future Rule 2 74

Original Margins:
Future Rule 49 125

Partnerships:
By-Laws, Article 16, R. C. L. 5, General Rule 4, Sec. 2..28–117–194
Parties to Contracts must be members of Exchange, By-Laws, Article 18 30
Partners, admission of during absence of other partner, By-Laws, Article 16 28

Penalty For (See also Fines):
Annual dues, assessments, fines, etc., non-payment of, Constitution, Article VI; General Rule 2; Rules of Order VI 13–14–193–205
Commission Law, Violation of, Future Rule 47, Sec. 6 116
Deficiency from weights specified, Future Rule 25 100
Disorderly conduct on floor, Rules of Order 1 to 10....205–206–207
Failure to deliver certificate of grade and Warehouse receipt, Future Rule 21, Sec. 2; 25 94–100–101
Failure to deliver or receive cotton, Future Rule 25 100–101
Failure of holder to notify drawer of notice, Future Rules 22-24 97–100
Failure to make final settlement on contracts, Future Rule 21, Sec. 2-25 94–100
Failure to pay classing and inspection bills, Future Rule 28, Sec. 2 104
Failure to pay dues, Constitution, Article VI, Sec. 2; General Rule 2 14–193
Failure to qualify as member, General Rule 2 193
Failure to qualify as Visiting Member, General Rule 2 193
Fictitious names, use of, Future Rule 22 (8) 99
Interference with inspection and weighing, Future Rule 35 108
Margins, failure to deposit, Future Rule 50 (2) 126–127
Non-payment of annual dues, fines, assessments, etc., Constitution, Article VI; General Rule 2; Rule of Order 6 13–193–205
Non-payment of fees of Board of Classers, Constitution, Article VI, Future Rule 28, Sec. 2 14–104
Non-payment of fees of Appeal Committee on Classification, Constitution, Article VI, Future Rule 28 14–104
Omitting to enter claim on Record of Failures, Future Rules 56-57 131–132
Representatives of members, misconduct of, By-Laws, Article XVI (5) 29
Samples, failure to deliver, Future Rule 18 91
Trades in contracts at split prices, Future Rule 40 (3) 111
Trading after hours, Future Rule 39, Sec. 2; Rule of Order 7 110–206
Trading in Puts and Calls, Future Rule 39, Sec. 4 110
Transferable notice, failure to forward within time, Future Rule 22 96
Transferable notice, failure to have demand stamped, Future Rules 22-24 96–100

Perished Staple:
Future Rule 17 91

Petitions:
By-Laws, Article II; General Rule 8 20–195

Posting of
Amendments to Constitution or By-Laws, Article X 16
Amendments to Rules, By-Laws, Article IV 22
Applications for membership, By-Laws, Article XIII 26
Bids (10:30 A. M. and 12:30 P. M.), Future Rule 50 (2) 126
Damaged by fire, smoke or water, cotton, Future Rule 27 102–103
Death of a member, Future Rule 64 135
Deliveries on contracts, Future Rule 24 100
Election of members, General Rule 19 201
Expulsions, Constitution, Article 8 15
Failed members, Future Rules 55-56 130–131
Margin calls, when office closed, Future Rule 50 126
Nominations for Officers and Directors; By-Laws, Article 1 19
Notice, transferable, when office is closed, Future Rule 22 96
Partnership, dissolution of or changes in, General Rule 4, Sec. 2 194
Power of Attorney, revocation of, Future Rule 54 129–130
Resignations, Constitution, Article 8; General Rules 5 15–194
Sales for future delivery, Future Rule 41 111
Spot Quotations, Article VII, By-Laws; General Rule 16 23–200
Suspensions, Constitution, Article 8; General Rules 5 15–194
Transferable notice, price at which shall be issued, Future Rule 22 (8) 99

Powers of Attorneys:
By-Laws, Article XVI; Future Rule 54; General Rule 6 28–29–129–130–194

President:
Absence of, temporary, By-Laws, Article 2 20
Annual election, duties in case Directors not elected, Charter, Article VI; By-Laws, Article I 4–5–19
Appoint Supervisors and Assistant Levee Inspectors, may—Press Supervision 2; Levee Inspection 2 211–219
Call, selecting, to conduct in absence of Superintendent, Future Rule 46 114
Citations shall be served on, Charter, Article II 3
Countersign checks, By-Laws, Articles XII 25
Documents, petitions, etc., must have permission of to expose or introduce, General Rule 8 195
Inspectors of Election, shall fill vacancies, Charter, Article VI; By-Laws, Article I 4–19
Licenses, shall sign, Future Rule 4 (2) 76
Meetings, By-Laws, Article II 20
Member of Committee on Supervision and Deliveries, Future Rule 6 76
Officers and Directors, failure to elect, duties of, Charter, Article VI; By-Laws, Article I 4–5–19
Posting on bulletin, under exclusive control of, Rules of Order 4 205
Pro Tempore, By-Laws, Articles II-III 20–21
Quorums, may make appointments to create, General Rule 14 199
Shares of stock, shall sign, Charter, Article III 4

Vacancies in committees, may fill, General Rule 14 199
Visitor's cards, may issue, General Rule 11 196
Visitor's cards, shall revoke, General Rule 10 195–196
Presses (See Warehouses).
Pressmen (See Warehousemen).
Principals, Rights of:
Future Rule 42 112
Puts and Calls:
Penalty for trading in, Future Rule 39, Sec. 4 110
Quarter Grades (See Intermediary Grades).
Quorum:
Board of Classers, Future Rule 8 72
Committees lacking, General Rule 14 199
Exchange meetings, By-Laws, Article 2 20
Floor Committee, Rule of Order 5 205
Spot Quotation Committee, By-Laws, Article VII 23
Quotations:
Continuous, General Rule 20 202
Spot, By-Laws, Article VII; Future Rule 15 23–88
Rates of Brokerage:
Ex-Warehouse Rule 20; Future Rule 47 45–114–115–116
Re-Admission:
Expelled members, Constitution, Article 9 16
Rebaled Cotton:
Future Rule 17 91
Record of Demands Stamped:
Future Rule 21, Sec. 5 95
Record of Failures:
Future Rules 56-57-58 131–132
Record of Transactions:
Time and price must be reported, Future Rule 41 111
Transactions reported must be made by open outcry, Future Rule 41 111
Registration of, or Changes in, or Dissolution of; Co-Partnerships:
General Rule 4, Sec. 2 194
Re-Instatement of Failed or Suspended Member:
Disqualified for, Future Rule 61 134
How obtained, Future Rule 62 134
Rejections:
Appeal from decision Board of Classers, Future Rule 8, Sec. 3 79
Assistant Inspector and Sampler, Future Rule 12 83
Charge for, Future Rule 28 103
Compensation for, where cotton is sold on samples at average price, Ex-Warehouse Rule 5 39
Improper, Future Rule 12, Sec. 2 83
Moisture, in the event of, Future Rule 16, Sec. 4 90
On To Arrive cotton, To Arrive Rules 17-18-20 58–59
Sampler and Inspector, by, Future Rules 12 83
Samplers of, may be sent to Board Cotton Examiners, Future Rule 12 83
Release of Margins:
Future Rule 51 127
Repacked Cotton:
Future Rule 17 91
Reporting Sales of Futures:
Future Rule 43 111

Representatives of Members:
By-Laws, Article XVI; General Rule 6 28–29–194
Resignations and Suspensions:
Posting of, Constitution, Article 8; General Rule 5 15–194
Resolutions Offered at Exchange Meetings:
Must be in writing, By-Laws, Article XVII 30
Rings:
Future Rule 48 124–125
Rules:
Order subject to, Future Rule 2 74
Sales of Futures:
Reporting, Future Rule 41 111
Sales of Spots:
Reports of confidential, General Rule 16 200
Samplers:
Licensed, must be, Future Rule 4 75
Manner of Sampling, Future Rule 12 83
Not to pass on questions of grade, Future Rule 12 83
Shall examine each bale, Future Rule 12 83
Samples:
Cutting bands for samples, Supervision Rule 8 213
Disposition of, Future Rule 16, ... 89–90–91
Drawn by licensed sampler only, Future Rule 12 83
Drawn at R. R. Depot, Future Rule 13, Sec. 9 85
Examination of, may be made on holidays, Future Rule 10 81
Failure to deliver, Future Rule 18 91
Failure to remove, Future Rule 16, Sec. 5 91
Guarantee of correctness of, Ex-warehouse Rule 3, Sec. 2 37
How drawn, Ex-warehouse Rule 3; Future Rule 12; Press Supervision Rule 9 37–83–195
Loose cotton, disposition of, Press Supervision Rule 10 214
Loose, made from, Press Supervision Rule 11 214
Loose, baling of, Press Supervision Rule 12 214
Lost or destroyed, Future Rule 36 108
Not retained by Board of Examiners, Future Rule 18 91
Of rejections may be sent to Board of Classers, Future Rule 12 83
Ownership of, Future Rule 18 91
Reserve samples, examination of etc., Ex-warehouse Rule 3 37
Reserve samples, disposition of, Ex-warehouse Rule 3 37
Responsibility for, Future Rule 18 91
Sealing of, To Arrive Rule 16 58
Weight of, Ex-warehouse Rule 3; Press Supervision Rule 7 37–213
When may be demanded, To Arrive Rule 8 51
Sand, Dirt, Etc.:
Future Rule 17 91
Scales:
Testing of, Ex-warehouse Rule 14 44
Seal:
Corporate, Charter, Article IX; General Rule 1 6–193
Secretary of Agriculture:
Certificate of grade of, Future Rule 20 92
Rulings of ..... 141 to 166
Secretary of the Exchange:
By-Laws, Article XI 25
Must countersign licenses, Future Rule 4 (2) 76

Seed, Excess of:
Future Rule 17 91
Settlement of Contracts:
Average price, compensation for grades at, Ex-warehouse Rule 5 39
Claims, settlement of, in case of failure, Future Rule 55 130
Compensation for grades on average price, Ex-warehouse Rule 5 39
Contract of earliest date first settled, Future Rule 48, Sec. 2 124
Death, in case of a, Future Rule 64..... 135
Deficiency from weights specified, To Arrive Rules 10, 37; Future Rule 25 52–67–100
Difference in grade, Ex-warehouse Rule 5, To Arrive Rule 7 39–51
Failure, in case of, Future Rule 55..... 130
Failure of margin depositories, Future Rule 51, Sec. 3.... 128
Failure to make delivery, etc., Future Rules 21-25....93–94–100–101
Final, Future Rule 21, Sec. 2..... 94
Grades considered in, Future Rule 15, Sec. 2..... 88
Mutual consent, by, Future Rule 25..... 100
Offset and substitution, Future Rules 25-48, Sec. 2..... 100–125
Rejections on to arrive sales, To Arrive Rules 17-18-20-21 58–59–60
Rings, Future Rule 48..... 124–125
Tender by deliverer on own notice of grade, Future Rules 3-21, Sec. 2.....74–75–94
Transferable notices, Future Rules 22-23.....96–97–98–99
Slips:
Contract, Future Rule 45..... 112
Members must have permanent offices registered, Future Rule 43 112
Powers of Attorney for signing, Future Rule 45..... 112
Smoke-Damaged Cotton, Future Rule 27..... 102
Smoking:
Rule of Order 8 206
Spot Cotton (See Ex-warehouse):
Spot Quotations, Committee on:
By-Laws, Article VII; General Rule 16..... 23–200
Spot Quotations:
By-Laws, Article VII; Future Rule 15; General Rule 16..23–88–200
Stained Cotton:
General Rule 16..... 200
Standard of Classification:
By-Laws, Article VII; Future Rules 8-10-15-37.....23–79–82–88–108
Standard of Compressing:
Bands on bales, Rule 1..... 225
Bales must be completely covered, Rule 7..... 226
Basis of freight engagement, Rule 7..... 226
Bagging, insufficient, Rule 7..... 226
Certificates to be under oath, Rule 5..... 225
Condemnation certificate, when shipper must accept, Rule 5 225
Certificates to show shipping marks, etc., Rule 7..... 226
Cotton remarked in New Orleans, Rule 6..... 226
Clauses descriptive of bales, Rule 7..... 226
Durably marked, bales must be, Rule 7..... 226

Freight engagement, basis of, Rule 7 226
Hand-tied bales, Rule 4 225
Inspectors to be sworn, Rule 5 225
Measurement of bales, Rule 2 225
Pickery bales, or bales with less than six bands, Rule 3 225
Rights of shippers where cotton is condemned, Rule 5 225
Shipper, when must accept certificate of condemnation, Rule 5 225
Standard size gin boxes, Rule 7 226–227
Standard of compressing, Rule 7 226–227

Staple:
Appeal on valuation, Future Rule 14 86–87
Maximum value allowed on future contracts, Future Rule 14 86
Minimum length deliverable, Future Rule 14 86
Perished or immature, Future Rule 17 91
Samples of, when drawn from both sides, Ex-warehouse Rule 3 36–37

Storage of Certificated Cotton:
Future Rules 4-29 75–105

Substitution of Names:
Future Rule 25, Sec. 2; 48 101–124

Supervision in Presses:
Annual election of Supervisors, Rule 1 211
Assistant Supervisors, assignments and monthly reports, Rule 4 212
Assistant Chief Supervisor, Rule 4 212
Assistant Supervisors, duties of, Rule 4 212
Brokers' samples, Rule 8 213–214
Buyers' Inspectors, duties of, Rule 10 214
Baling of loose, Rule 12 214
Benefit of Supervision Rules allowed to non-members, conditions of, Rule 17 216
Chief Supervisor, duties of, Rule 4 212
Committee on Supervision and Deliveries, duties of, Rule 3 211
Cutting bands for sampling, Rule 8 213
Deliveries on Sunday, extra cost thereof, Rule 15 216
Duty of press owners, Rule 19 216
Election and term of office of Supervisors, Rule 1 211
Factors' samples, Rule 7 213
Fees on cotton received and stored in presses, Rule 14 215
Fees on shipmarked and small numbers sampled for resale, Rule 14 215
Fees on cotton delivered from presses by planters' marks, Rule 14 215
Fees on cotton sampled at depots, etc., Rule 14 215
Junk shops, duties of Supervisors thereto, Rule 11 214
Loose made from inspecting, how disposed of, Rule 10 214
Loose made from sampling, how disposed of, Rule 11 214
Loose cotton for types, Rule 13 215
Owners' right relating to loose, Rule 12 215
President of Exchange, duties and powers of, Rule 2 211
Payment of Inspection Fees and charges through brokers, Rule 12 214
Samples, brokers', Rule 8 213
Samples, how drawn, Rule 9 214
Samples, factors', Rule 7 213

Superintendent of Exchange, duties relative to bills, Rule 14 215
Storage room for loose, Rule 18 216
Salaries of Chief and Assistants, Rule 6 213
Transactions between members and non-members, Rule 16 216

Supervision and Deliveries, Committee on:
Complaints, written, of misconduct, shall investigate, Future Rule 4 75
Composition and functions of, Future Rule 6 76–77–78
Cotton not ready for inspection, Future Rule 16 (3) 89
Levee Inspection, duties of, in relation, Levee Inspection Rule 10 221
Licenses, Future Rules 4-6 75–76
Licenses, suspension of, Future Rule 6 (4) 77
Oath, shall administer, Future Rule 6 (5) 77
Supervision, duties of, in relation to, Supervision Rules 3-4-14 211–212–215
Storage places, must be recommended by, Future Rule 4 75–76

Supervisory Committee, General Rule 13 196
Default on contracts, intentional, Future Rule 55 130
Failed member, Future Rule 55 130
Failed member, re-instatement of, Future Rule 62 134
Forced notices of failure, Future Rule 56 131
Investigation of affairs of failed members, Future Rule 55 130
Report to Board of Directors, Future Rule 55 130
Schedule of failed members, Future Rule 61 134

Suspension:
Annual dues and assessments, failure to pay, Constitution, Article VI; General Rule 12 13–196
Board of Directors, action by, Constitution, Article VIII 15
Bucket Shops, for connection with, General Rule 18 201
Claim, member failing to file, Future Rule 57 132
Commission law, violation of, Future Rule 47, Sec. 6 116
Failed member, re-instatement of, Future Rule 62 134
Misconduct, Constitution, Article VIII 15
Omission to file claim, when failure not posted, Future Rules 56-57 131–132
Posting, Constitution, Article 8; General Rule 5 15–194
Publishing misstatements, etc., General Rule 18, Sec. 2 201
Trading after hours, Future Rule 39 109–110
Trading in Puts and Calls, Future Rule 41, Sec. 4 110
Transferable notice, use of fictitious names, Future Rule 23 (6) 99
Violations of Constitution, By-Laws, or Rules, Constitution, Article VIII 15
Vote at annual election, suspended member cannot, General Rules 2-3 193

Tags, Future Rules 11-12 82–83

Tare, Ex-warehouse Rule 8; To Arrive Rule 25 40–62

Ties, (See Bands and Standard of Compressing):
Allowance for extra, Ex-warehouse Rule 7 39
Cutting for sampling, Supervision Rule 8 213
Excess of, To Arrive Rule 26 65
Missing, To Arrive Rule 26 65
Number and weight of, Ex-warehouse Rule 7; To Arrive

Rule 22 39–61
Removed for inspection, Future Rule 13, Sec. 4..... 84

Tinged Cotton:

Future Rule 17; General Rule 16..... 91–200

To Arrive Cotton:

Allowances awarded in New Orleans and other undisputed claims, when paid, Rule 9..... 52
Allowances on samples drawn from compressed bales, Rule 28 66
Arbitrators, how appointed, Rule 21..... 59–60
Arbitrations on guaranteed through where fees shall be paid, Rule 36 67
Buyer may receive through Cotton Exchange cotton sold examination New Orleans, Rule 19..... 59
Buyer's risk, when at, Rule 3..... 49
Claims on cotton weighed, sampled and inspected in New Orleans, limit of time for presenting, Rule 9..... 52
Claims for fraudulently packed cotton, Rule 11..... 52–53
Cotton to be weighed in New Orleans, time limit therefor, Rule 12 53
Cotton sold landed mill points in the United States, Rule 30 66
Claims for deficiency in compressing, when presented, Rule 14 54
Compressed cotton re-weighed in New Orleans, settlements, Rule 22 61
Cotton re-weighed and re-sampled in New Orleans must be with the knowledge of seller, Rule 24..... 62
Cotton sold to arrive, examination in New Orleans—how weighed; Rule 25 62
Claims for loss in weight from foreign points, Rule 32.... 66
Claims for loss in weight and deficiency in grade—limit of time for forwarding and presentation, Rule 33.... 67
Claims on to arrive cotton guaranteed through for grade —when six per cent may be deducted from gross invoice weight, Rule 34 67
Controllers at port of discharge must establish claims relating to weight, tare or dampness on guaranteed through cotton, not covered by these rules, Rule 37 67
Cotton sold on guaranteed through terms, shipside New Orleans, when shall be shipped, Rule 12..... 53
Contract for to arrive cotton, on description, Rule 15.... 57
Drafts and bills of lading, Rule 7..... 51
Drafts on to arrive cotton or cotton sold to reach New Orleans within specified time, Rule 13..... 53–54
Disputes as to grade or staple, how settled, Rule 21..... 59–60
To arrive cotton sold on samples or types, buyer may reject or accept with an allowance if not represented in original samples or types, Rule 17..... 58
Fees, by whom paid, Rule 21..... 59–60
Fraudulently shipped cotton, how settled, Rule 28..... 66
Gross landing weight, excess of bands, missing bands, Rule 26 65
Guaranteed through on samples must turn out equal to samples, Rule 29 66
Insurance and Cotton Exchange Supervision and Levee

Inspection, Rule 1 49
Loss in weight in case of arbitration allowance must be deducted from invoice weight, Rule 35 67
Maximum and minimum weights on guaranteed through shipments, Rule 10 52
Ocean freight and insurance on loss in weight, when refunded, Rule 27 65
Price shall include freight to New Orleans and ranging Rule 1 49
Payment, when shall be demanded, Rule 3 49
Payment, when shall be made, Rules 5-7 50–51
Responsibility of sellers, Rule 6 51
Rejections under Rule 17, how settled, Rule 18 59
Rejections to be invoiced back to local seler, duty of local seller, Rule 20 59
Sales on actual samples when cotton at buyer's risk, Rule 2 49
Sales on description when cotton at buyer's risk, Rule 2 49
Sales New Orleans delivery "barring fire," Rule 3 49–50
Sales New Orleans delivery without condition "barring fire," Rule 4 50
Shipments from interior, limit of time, Rule 5 50
Samples on sales for examination in New Orleans, when may be demanded, Rule 8 51
Samples on sales guaranteed through terms, when and how may be forwarded, Rule 8 51
Seller's risk, when at, Rule 4 50
Seller's responsibility for weight, when ceases, Rule 12 53
Sealing of types, Rule 16 58
Seller's responsibility ceases when cotton reweighed and resampled in New Orleans, except in cases of fraudulently packed, Rule 23 61
Suspicion of serious irregularities, how met, Rule 28 65
Tare allowance cotton sold in New Orleans, Rule 25 62
Unmerchantable bales, Rule 10 52
Uncompressed bales, settled for at actual weights, Rule 22 61
When seller replaces with spot, Rules 3-5 49–50
Weights of to arrive cotton sold examination in New Orleans and for forward shipment or delivery, Rule 10 52
Weight settlements, Rules 10-31 52–66

Trading, (See Offers to Buy and Sell):

Trading in Current Month:
When shall cease, Future Rule 23 99

Trading, Limit of fluctuations, Future Rule 1-A 73

Trading After Hours, Future Rule 39 109

Trading in Puts and Calls:
Future Rule 39 109

Trading by Representatives of Members:
Article XVI, By-Laws 28–29

Transactions, Record of:
Future Rule 41 111

Transfer of Certificated Cotton:
Future Rule 29 105

Transferable Notices:
Accepted on any contract for Future delivery, Future Rule 22 96

Fictitious or fraudulent use of names, Future Rule 22.... 96
Form of notice, Future Rule 22.... 96
Holidays, procedure in regard to, By-Laws, Article XVIII; Future Rule 38.... 30–109
Issuance of, not permissable on holidays, Future Rule 38 109
Last day of month upon which notices may issue, Future Rule 23.... 99
Office closed, delivery, how made, Future Rules 22-43.... 96–112
Passing of shall not prevent calling margins before day of delivery, Future Rule 50, Sec. 2.... 127
Penalty for failure to have demand stamped, Future Rule 24.... 100
Penalty for failure of holder to notify drawer, Future Rule 22 (7).... 98
Prices at which shall be issued, Future Rule 22 (8).... 99
Return of, on delivery of cotton, Future Rule 21, Sec. 1 94
Settlement of, where warehouse or press receipts and certificates not delivered to receiver, Future Rule 25.... 100–101
Shall be considered 100 bales (50,000 pounds), Future Rule 24.... 100
Time of receipt must be indorsed on, Future Rule 22.... 96
Time within which transfer must be made, Future Rule 22 97
Written notification of holding of, Future Rule 22.... 97

Treasurer of the Exchange:

Claims on Inspection Fund, Future Rule 32.... 106
Duties of, By-Laws, Article XII; General Rule 15.... 25–199
Inspection and classing charges, Future Rule 28.... 103
Levee Inspection fees, Levee Inspection Rule 12.... 222
Pro tempore, By-Laws, Article III; General Rule 15.... 21–199
Supervision fees, Supervision Rule 14.... 215

Types (See Standards of Classification):

Uncompressed Cotton, Ex-warehouse Rule 7; Future Rule 20.... 39–92
Patches on, Ex-warehouse Rule 7.... 39
United States Cotton Futures Act.... 141–177
Unmerchantable Cotton, Ex-warehouse Rule 10; Future Rules 17-28.... 42–91–103

Vacancies:

Board of Directors, Charter, Article VI; By-Laws, Article XIX.... 5–30
Board of Classers, Future Rule 8.... 79
Committees, General Rule 14.... 199
Inspectors of Election, Charter, Article VI; By-Laws, Article I.... 4–19
Spot Quotation Committee, By-Laws, Article VII.... 23

Verbal Contracts, Future Rule 1, Sec. 3.... 73
Margins may be called, Future Rule 49.... 126
Vice President, Charter, Article VI; Constitution, Article III; By-Laws, Articles I-II-III.... 4–12–19–20–21
Violations of By-Laws or Rules, Constitution, Article VIII.... 15
Violations of Commission Law, Future Rule 47, Sec. 6.... 115
Visiting Members, Constitution, Article 4; General Rule 2.... 112–193
Visitors, General Rules 10-11.... 195–196
Voting:

Annual election, Charter, Article VI; By-Laws, Article I 4–5
Annual election, suspended member cannot vote, General Rules 2-3.... 193

Applications for membership, Constitution, Article V; By-Laws, Article XIII 12–26
By-Laws, amendment of, Constitution, Article X..... 16
Constitution, amendment of, Constitution, Article X..... 16

Warehousemen:

License, notice of intention to cancel, Future Rule 4 (4) 76
Licensed, must be, Future Rule 4..... 75
Removal of cotton, shall notify Inspection Bureau of, Future Rule 29 105

Warehouse Receipts (See also Inspection and Classification):

Delivery made on Saturday, Future Rules 22-23..... 96–99
Delivery due on last day of month, Future Rule 23..... 99
Failure to deliver, Future Rule 25..... 100–101
Indorsed by party in whose favor drawn, Future Rule 21 93
Issuance and limitations of, Future Rule 19..... 23
Tenderable before 2 P. M., Future Rule 21, Sec. 5..... 95
Transferable notices, Future Rule 22..... 96–97
Weight notation of on, Future Rule 21, Sec. 4..... 95

Warehouses:

Certificated cotton shall be stored only, Future Rule 29.... 105
Expense to date of delivery, Future Rule 21, Sec .3..... 95
Fire in, Future Rule 27 102
Licensed, must be, Future Rules 4-6.....75–76–77
Port of New Orleans, must be within limits of, Future Rules 1-4 71–72–76
Transfer of certificated cotton, Future Rule 29..... 105
Warehouse, what constitutes one, Future Rule 34..... 107–108
Withdrawing cotton from, Future Rules 29-31..... 105–106

Water-Damaged Cotton, Future Rule 27..... 102

Water-Packed Cotton, Ex-warehouse Rule 15; To Arrive Rule 11, Future Rule 17.....44–52–53

Weighers:

Cannot be in service of party interested in inspection, Future Rule 16, Sec. 3..... 90
Must be licensed, Future Rules 4-6.....75–76–77

Weighing and Re-Weighing:

Charge for, Future Rule 11..... 82
General provisions, Ex-warehouse Rule 13; To Arrive Rule 25; Future Rule 11.....42–62–82
Loose cotton, Future Rule 33; Supervision Rules 11-12-13 106
Record of Weights, Future Rule 19..... 92
Redrawn samples, Future Rule 36..... 108
Smoke or water damage, Future Rule 27..... 102

Weight:

Allowance, Future Rule 21, Sec. 4..... 95
Binding for, how long and subject to allowance, Future Rule 21, Sec. 4..... 95
Deficiency in, Future Rule 25..... 100
Maximum and minimum on Guaranteed Through cotton, To Arrive Rule 10 52
Tare, Ex-warehouse Rule 9; To Arrive Rules 22-25....39–59–60–62

Withdrawals from Membership, General Rule 5 194

PRESIDENTS AND VICE-PRESIDENTS OF THE NEW ORLEANS COTTON EXCHANGE SINCE ORGANIZATION.

1871-72	E. H. SUMMERS	President
	J. H. SCHROEDER	Vice-President
1872-73	JOHN PHELPS	President
	AD. FRERICHS	Vice-President
1873-74	JOHN PHELPS	President
	THOS. H. HUNT	Vice-President
1874-75	JOHN PHELPS	President
	J. B. LAFITTE	Vice-President
1875-76	W. C. BLACK	President
	T. L. AIREY	Vice-President
1876-77	W. C. BLACK	President
	E. L. JEANRENAUD	Vice-President
1877-78	PERRY NUGENT	President
	E. L. JEANRENAUD	Vice-President
1878-79	PERRY NUGENT	President
	WM. CUNNINGHAM	Vice-President
1879-80	WM. CUNNINGHAM	President
	VICTOR MEYER	Vice-President
1880-81	T. L. AIREY	President
	A. J. R. LANDAUER	Vice-President
1881-82	T. L. AIREY	President
	A. J. R. LANDAUER	Vice-President
1882-83	JOHN PHELPS	President
	GILBERT H. GREEN	Vice-President
1883-84	CHAS. E. BLACK	President
	E. ALLGEYER	Vice-President
1884-85	CHAS. E. BLACK	President
	P. POUTZ, SR.	Vice-President
1885-86	R. M. WALMSLEY	President
	L. T. TURNER	Vice-President
1886-87	R. M. WALMSLEY	President
	L. T. TURNER	Vice-President
1887-88	R. M. WALMSLEY	President
	L. T. TURNER	Vice-President
1888-89	S. O. THOMAS	President
	CHAS. CHAFFE	Vice-President
1889-90	CHAS. CHAFFE	President
	E. OVERBECK	Vice-President
1890-91	CHAS. CHAFFE	President
	E. OVERBECK	Vice-President
1891-92	WALTER C. FLOWER	President
	E. OVERBECK	Vice-President
1892-93	WALTER C. FLOWER	President
	E. OVERBECK	Vice-President
1893-94	JOHN W. LABOUISSE	President
	ANDREW STEWART	Vice-President

1894-95	ANDREW STEWART	President
	FELIX COUTURIE	Vice-President
1895-96	ANDREW STEWART	President
	FELIX COUTURIE	Vice-President
1896-97	FELIX COUTURIE	President
	JNO. M. PARKER	Vice-President
1897-98	FELIX COUTURIE	President
	JNO. M. PARKER	Vice-President
1898-99	JNO. M. PARKER	President
	C. H. MINGE	Vice-President
1899-1900	JNO. M. PARKER	President
	C. H. MINGE	Vice-President
1900-01	S. P. WALMSLEY	President
	E. BORNEMANN	ice-President
1901-02	S. P. WALMSLEY	President
	S. WEIS	Vice-President
1902-03	A. BRITTIN	President
	M. E. DuQUESNAY	Vice-President
1903-04	A. BRITTIN	President
	M. E. DuQUESNAY	Vice-President
1904-05	A. BRITTIN	President
	M. E. DuQUESNAY	Vice-President
1905-06	WM. MASON SMITH	President
	WM. T. HARDIE	Vice-President
1906-07	WM. MASON SMITH	President
	WM. T. HARDIE	Vice-President
1907-08	W. B. THOMPSON	President
	JOHN F. CLARK	Vice-President
1908-09	W. B. THOMPSON	President
	JOHN F. CLARK	Vice-President
1909-10	W. B. THOMPSON	President
	E. J. GLENNY	Vice-President
1910-11	W. B. THOMPSON	President
	E. J. GLENNY	Vice-President
1911-12	E. J. GLENNY	President
	W. P. STEWART	Vice-President
1912-13	E. J. GLENNY	President
	W. P. STEWART	Vice-President
1913-14	E. J. GLENNY	President
	W. P. STEWART	Vice-President
1914-15	E. J. GLENNY	President
	W. P. STEWART	Vice-President
1915-16	W. P. STEWART	President
	C. B. THORN	Vice-President
1916-17	JNO. F. CLARK	President
	C. B. THORN	Vice-President
1917-18	JNO. F. CLARK	President
	C. B. THORN	Vice-President
1918-19	JNO. F. CLARK	President
	EDW. S. BUTLER	Vice-President
1919-20	EDW. S. BUTLER	President
	S. J. WHITE	Vice-President

CHARTER

UNITED STATES OF AMERICA,
STATE OF LOUISIANA,
CITY OF NEW ORLEANS.

Be it Known, That on this fifth (5th) day of the month of May, of the year of our Lord one thousand eight hundred and ninety-eight (1898) and of the Independence of the United States of America, the one hundred and twenty-second:

Before me, JOHN G. EUSTIS, a Notary Public, duly commissioned and qualified in and for the Parish of Orleans, State of Louisiana, and in the presence of the witnesses hereinafter named and undersigned:

Personally came and appeared, Felix Couturie, President, and Henry G. Hester, Secretary, of the New Orleans Cotton Exchange, a corporation domiciled in the City of New Orleans, created under the laws of the State of Louisiana, by Act passed before me, JOHN G. EUSTIS, a Notary Public, in this city, on the 6th day of May, 1873, recorded in the Mortgage Office of this Parish in Book 89, Folios 135, 136, 137 and 138, on the 7th day of May, 1873, which was amended by three Acts passed before the undersigned Notary in this city on the 21st day of January, 1880, recorded in the Mortgage Office of this Parish in Book 152, Folio 367, on the 21st day of January, 1880, one on January 18th, 1889, recorded, Book 353, Folio 693, and the other before the undersigned Notary Public in this city on the 27th of April, 1897, recorded in the Mortgage Office of this Parish in Book 565, Folio 782, on the 27th day of April, 1897, herein

acting under and by virtue of resolutions adopted at a general meeting of the stockholders of said New Orleans Cotton Exchange held on the 5th day of May, 1898, a certified copy of which resolutions is annexed in the margin of this Act for reference.

Who declared, That in accordance with a notice issued by the President of the New Orleans Cotton Exchange, dated at New Orleans, La., on the 4th day of April, 1898, ordering a meeting of the stockholders of said corporation to be held on the 5th day of the month of May, 1898, for the purpose of passing upon an amendment to Article One of the Charter of said corporation, and also upon such other matters as might be laid before it, or brought up at said meeting; that in compliance with the provisions contained in said Charter, after thirty days' notice in two of the newspapers published in the City of New Orleans, to-wit: The *Times-Democrat* and the *Daily Picayune,* a meeting of the stockholders of said corporation was held on the 5th day of the month of May, 1898, and after all the formalities of the laws of this State and the Charter of this corporation had been complied with, all of the stockholders of said New Orleans Cotton Exchange, present and represented at said meeting, unanimously voted to revise and amend the original Charter of said corporation and Acts amending same, as hereinafter expressed.

Now, therefore, in order to carry out the objects and purposes of said stockholders' meeting, evidenced by said certified copy of said resolutions adopted at said meeting, which are hereunto annexed for reference, and, in order to clothe the same in proper form and give it legal force and effect, the above named appearers do hereby formally declare, publish and make known, that the original Charter, executed before the undersigned Notary, on May 6th, 1873, and amended by three Acts passed, one before the undersigned Notary on January 21st, 1880 and January 18th, 1889, and the other on April 27th, 1897, have been modified, revised, changed, amended, ratified and readopted so as to read as follows:

ARTICLE I.

The corporate name and title of this Association shall be THE NEW ORLEANS COTTON EXCHANGE, by which it shall be known, as well as sue and be sued; its term of existence is hereby extended for fifty years from this date unless sooner dissolved, as hereinafter provided for, and its domicile shall be and is hereby fixed in the City of New Orleans.

ARTICLE II.

The purposes of this Association shall be to provide and maintain suitable rooms for a Cotton and Commercial Exchange in the City of New Orleans, to adjust controversies between its members, to establish just and equitable principles, uniform usages, rules and regulations, and standards for classifications which shall govern all transactions connected with the cotton trade or any other articles of trade between its members; to acquire, preserve and disseminate information connected therewith; to decrease the risk incident thereto, and to generally promote the interests of the trade, and increase the facilities and the amount of the cotton and other business in the City of New Orleans. The President of the Association shall be the proper person on whom to serve all citations or all other legal documents or writs in all suits against the Association.

ARTICLE III.

The capital stock of said Association shall be One Hundred Thousand Dollars ($100,000) divided into Five Hundred (500) shares of Two Hundred Dollars ($200) each, which shares shall be paid in cash or in installments, as required by the Board of Directors, who may, from time to time, fix the price at which shares of stock belonging to this Association shall be sold, which

price shall in no case be less than Two Hundred Dollars ($200) per share; all certificates of stock shall be for Two Hundred Dollars ($200) each, and shall be signed by the President and countersigned by the Treasurer.

ARTICLE IV.

Every member of this Association shall be required to be the holder of at least one share of the capital stock of this Association, and membership of this Association once acquired can only be terminated by means of resignation, duly accepted by the Board of Directors, by being dropped from the rolls by the Board of Directors, by expulsion, or by death.

ARTICLE V.

The ownership of one or more shares of the capital stock of this Association shall not confer upon the holder thereof any of the rights or privileges of membership.

ARTICLE VI.

All the powers of the Association are vested in and shall be exercised by a President, Vice-President, Treasurer and Twelve (12) members, who, together, shall constitute a Board of Directors to be elected annually, on the first Monday of December in each year, at the office of said Association, between the hours of ten (10) o'clock A. M., and two (2) o'clock P. M.; and the present Officers and Directors of said Association as now constituted, shall be the Officers and Directors of said Corporation until the first Monday in December next, and until others, under the provisions of this Act, shall be elected in their place; the Board of Directors shall appoint three (3) members to preside as Inspectors of Election, and should any of the Inspectors decline or fail to attend, the

President shall appoint other persons to fill the vacancies, and any failure from any cause whatever to elect Directors on the day named for that purpose, shall not dissolve this Corporation, but the Officers and Directors then in office shall hold over until their successors are elected; in the event of no election taking place on the date aforesaid, the President shall cause another election to be held within thirty (30) days thereafter, and ten days' notice of the same shall be posted in the Exchange rooms.

Each member shall be entitled to one vote in person (or by special power of attorney given to some member of the Exchange) by ballot, and a majority of votes cast at such election shall elect the person for whom they shall have been given. The Board of Directors thus elected shall enter upon the duties of their office on the first Wednesday succeeding their election, and shall continue in office until their successors are elected and qualified. The Board of Directors shall have the entire control and management of the Association, with power to hire or lease, and fit up such rooms as may be required for the purposes of the Exchange, and to appoint a Secretary and such subordinate officers and employees, with such salaries as they may deem necessary.

The said Board shall have full authority to fill all vacancies in their number from among the members of the Association, and is hereby invested with full power to frame and adopt such rules and regulations as they may deem requisite and necessary for the Association and the transaction of its business; provided, the same do not conflict with this Act of Incorporation, the laws of this State, or with the Constitution or By-Laws of said Association; they shall also have power and are hereby authorized to buy real estate and erect buildings for the use and purposes of the Association, to sell the same; to make contracts, leases, mortgages and compromises, to borrow money and issue bonds, and to do all and singular, such acts as may be necessary to carry on the business and further the objects of said Association.

ARTICLE VII.

The liquidation of the affairs of the said corporation shall be made by three (3) commissioners, elected by the stockholders, at a meeting convened for that purpose, after thirty days' previous notice in two newspapers published in the City of New Orleans. Each of said commissioners shall be a citizen of this State, and not indebted to the Association, and at such meeting, the stockholders may cede to such Commissioners all powers necessary to the liquidation of the affairs of the Corporation, may fix their term of office, limit the period of liquidation, fix their compensation, define their duties and the manner in which they may be removed or their term of office renewed.

ARTICLE VIII.

It shall be lawful for the stockholders of said Association, at a general meeting convened for that purpose, after notice as required by "Article Seventh," to make any modifications, additions or changes in the present Act of Incorporation, or to dissolve it with the assent of three-fourths of the stock represented at such meeting, and any such modification, addition, change or dissolution, shall be recorded as required by law.

ARTICLE IX.

The said Association shall have a Seal with such a device upon the same as the Board of Directors may adopt.

ARTICLE X.

No stockholder shall ever be held liable or responsible for the contracts or faults of the Association, beyond the amount of his stock therein.

ARTICLE XI.

The following named stockholders shall constitute the Board of Directors and shall hold their seats until their successors shall have been elected and qualified, in accordance with Article Sixth:

FELIX COUTURIE, *President.*
JOHN M. PARKER, *Vice-President.*
J. G. DUNCAN, *Treasurer.*

JAS. LEA MCLEAN,	S. HYMAN,	NORMAN EUSTIS,
C. L. DEFUENTES,	MAURICE STERN,	H. R. LABOUISSE,
C. H. MINGE,	S. WEIS,	H. DESSOMMES,
E. BORNEMANN,	W. F. PINCKARD,	A. C. ZIEGLER.

Thus done and passed at my office, in the City of New Orleans, in the presence of Messrs. Louis Henry and Daniel S. Kelly, competent witnesses, residing in this city, who have signed the present Act, with the aforenamed appearers and me, Notary, on the day, month and year first above written, and after due reading.

[Signed] FELIX COUTURIE, *President.*
HENRY G. HESTER, *Secretary.*

Witnesses:

DANIEL S. KELLY,
LOUIS HENRY.

J. G. EUSTIS, *Notary Public.*

I, the undersigned, Recorder of Mortgages in and for the Parish of Orelans, State of Louisiana, do hereby certify that the above and foregoing Act of Amendment to the Act of Incorporation of the NEW ORLEANS COTTON EXCHANGE, of New Orleans, Louisiana, was this day duly recorded in my office, in Book 600, Folio 621.

New Orleans, La., May Sixth, 1898.

[Signed] GEORGE GUINAULT, *D. R.*

A true copy.

[Signed] J. G. EUSTIS, *Notary Publice.*

CONSTITUTION

CONSTITUTION

OF THE

NEW ORLEANS COTTON EXCHANGE

ADOPTED JANUARY 24, 1871,

WITH ALL REVISIONS UP TO JANUARY 1st, 1920.

ARTICLE I.

TITLE.

The title of this Association shall be THE NEW ORLEANS COTTON EXCHANGE.

ARTICLE II.

PURPOSES.

The purposes of this Association shall be to provide and maintain suitable rooms for a cotton and Commercial Exchange, in the City of New Orleans; to adjust controversies between members; to establish just and equitable principles, uniform usages, rules and regulations, and standards for classifications, all of which shall be for the government of transactions in cotton or other articles or matters of trade between members; to acquire, preserve and disseminate information connected therewith; to decrease the risks incident thereto, and generally to promote the interests of the trade and the amount of the cotton and other business in the City of New Orleans.

ARTICLE III.

OFFICERS.

The Board of Directors of this Association shall consist of a President, Vice-President, Treasurer, and twelve Directors, all of whom shall be elected annually on the first Monday in December.

ARTICLE IV.

QUALIFICATIONS FOR MEMBERSHIP.

SECTION 1. All persons legally of age and of good character and commercial standing, whether resident or non-resident of New Orleans, may be elected members of this Association.

QUALIFICATIONS FOR VISITING MEMBERSHIP.

SEC. 2. A card of admission, as visiting member to the Exchange rooms, may be issued to any person not engaged in the cotton trade, on the recommendation of the Committee on Membership and the approval of the Board of Directors, upon the payment by such person of the regular dues of the Exchange; provided, that such person shall be subject to all the provisions of the Constitution, By-Laws and rules which apply to members, and may be required to withdraw from the privileges of the Exchange, for cause, at the written request of five members; said request to be subject to the approval of the Board of Directors; and provided further, that such visiting members shall not be allowed to vote or attend executive sessions of the Exchange.

ARTICLE V.

ADMISSION OF MEMBERS.

Applicants for membership shall be balloted for, after being recommended by the Committee on Membership and approved by the majority of the Board of Directors, under conditions prescribed by the By-Laws.

No. 8.

At a General Meeting of the New Orleans Cotton Exchange held August 24th, 1920, the following amendment to Article VI of the Constitution was adopted, viz:

AMENDMENT TO CONSTITUTION

ARTICLE VI

Expunge the whole of Article VI as it now reads and substitute therefor the following as Article VI, viz:

ARTICLE VI

Initiation Fee, Annual Dues, etc.

SECTION 1. The initiation fee shall be five hundred (500) dollars and the Annual Dues two hundred (200) dollars, payable between the first and twenty-fifth days of November; and no member whose dues are not paid by the latter date shall be entitled to any of the rights and privileges of membership of the Exchange until same shall have been paid in full; provided, that any member who shall have failed to pay his dues for the space of one year [illegible] only regain admission by

No. 8.

At a General Meetiug of the New Orleans Cotton Exehange held August 24th, 1920, the following amendment to Article VI of the Coustitution was adopted, viz:

AMENDMENT TO CONSTITUTION

ARTICLE VI

Expunge the whole of Article VI as it now reads and substitute therefor the following as Article VI, viz:

ARTICLE VI

Initiation Fee, Annual Dues, etc.

Section 1. The initiation fee shall be five huudred (500) dollars and the Annual Dues two hundred (200) dollars, payable between the first and twenty-fifth days of November; and no member whose dues are not paid by the latter date shall be entitled to any of the rights and privileges of membership of the Exchange until same shall have been paid iu full; provided, that any member who shall have failed to pay his dues for the space of one year shall forfeit his membership and can only regain admission by goiug through the same course aud paying the same initiation fees aud dues as are now or may hereafter be prescribed in the case of new members; provided further that any person elected a member of the Exchange after the first of Mareh shall pay his dues at the rate of twenty dollars per month for the unexpired portion of the year.

Section 1-A. Payment of Aunual Dues by a member while under suspension shall not be construed as in any way affecting such suspeusion.

Section 1-B. The Board of Directors shall have authority to remit the Annual Dues of any member while said member is in the service of the Army or Navy of the United States when the United States is at war.

Section 1-C. The Board of Directors shall collect on all transactions made on aud after August 1st, 1919, as assessments towards the Building Fund of the Exchange:

(a). On each and every contract of 100 bales sold by members of the New Orleans Cotton Exchange, for future delivery in New Orleans, six (6) cents.

(b) On each and every bale of cotton bought, and on each and every bale of cotton sold, the same as are now subject to the collection of Supervision or Levee Inspection fees (being all cotton—spot, F. O. B. small numbered, received, shipped or exported), three-fourths (3/4) of a cent per bale, such charge to be collected from both seller and buyer on each transaction.

(c) The charges above provided shall be collected until the building a new Exchange Building and furnishing the Exchange rooms and offices (including interest on loans contracted for such purposes and all other necessary expenses in connection therewith) shall have been fully liquidated; and no change in the Rules of the Exchange shall affect the collection of such charges until such liquidation shall have been completed.

(d) All collections as above set forth shall be monthly, and shall be kept in separate funds to be designated as the "New Orleans Cotton Exchange Building Fund."

All collections for the purposes above set forth shall cease as soon as the said costs of building and furnishing, including interest thereon, shall have been liquidated.

Section 2. Any member failing to pay any fines, dues or awards imposed or made by the Board of Directors, or any Committee having the requisite authority, after being served with notice thereof, shall be suspended from all the rights and privileges of membership and excluded from the Exchange rooms until same shall have been paid in full, and the Board of Directors may, in their discretion, by resolution of a majority of the whole Board, declare his membership at an end and cause his name to be erased from the roll of membership.

No. 1.

At a General Meeting of the New Orleans Cotton Exchange held May 28th, 1920, the following amendment to Article VI of the Constitution was adopted, viz.:

AMENDMENT TO CONSTITUTION

ARTICLE VI.

Expunge Section 1 of Article VI of the Constitution as it now reads and substitute the following as Section 1, viz.:

The initiation fee shall be five hundred (500) dollars; and the Annual dues two hundred (200) dollars, payable between the first and twenty-fifth days of November; and no member whose dues are not paid by the latter date shall be entitled to any of the rights and privileges of membership of the Exchange until same shall have been paid in full; provided, that any member who shall have failed to pay dues for the space of one year shall forfeit his membership and can only regain admission by going through the same course and paying the same initiation fees and dues as are now or may hereafter be prescribed in the case of new members; provided further that any person elected a member of the Exchange after the first of March shall pay his dues at the rate of twenty dollars per month for the unexpired portion of the year.

The Article as amended shall read as follows:

ARTICLE VI.

No. 1.

At a General Meeting of the New Orleans Cotton Exchange held May 28th, 1920, the following amendment to Article VI of the Constitution was adopted, viz.:

AMENDMENT TO CONSTITUTION

ARTICLE VI.

Expunge Section 1 of Article VI of the Constitution as it now reads and substitute the following as Section 1, viz.:

The initiation fee shall be five hundred (500) dollars; and the Annual dues two hundred (200) dollars, payable between the first and twenty-fifth days of November; and no member whose dues are not paid by the latter date shall be entitled to any of the rights and privileges of membership of the Exchange until same shall have been paid in full; provided, that any member who shall have failed to pay dues for the space of one year shall forfeit his membership and can only regain admission by going through the same course and paying the same initiation fees and dues as are now or may hereafter be prescribed in the case of new members; provided further that any person elected a member of the Exchange after the first of March shall pay his dues at the rate of twenty dollars per month for the unexpired portion of the year.

The Article as amended shall read as follows:

ARTICLE VI.

Initiation Fee, Annual Dues, Etc.

SECTION 1. The initiation fee shall be five hundred (500) dollars and the Annual Dues two hundred (200) dollars, payable between the first and twenty-fifth days of November; and no member whose dues are not paid by the latter date shall be entitled to any of the rights and privileges of membership of the Exchange until same shall have been paid in full; provided, that any member who shall have failed to pay his dues for the space of one year shall forfeit his membership and can only regain admission by going through the same course and paying the same initiation fees and dues as are now or may hereafter be prescribed in the case of new members; provided further that any person elected a member of the Exchange after the first of March shall pay his dues at the rate of twenty dollars per month for the unexpired portion of the year.

SECTION 1-A. Payment of Annual Dues by a member while under suspension shall not be construed as in any way affecting such suspension.

SECTION 1-B. The Board of Directors shall have authority to remit the Annual Dues of any member while said member is in the service of the Army or Navy of the United States when the United States is at war.

SECTION 2. Any member failing to pay any fines, dues or awards imposed or made by the Board of Directors, or any Committee having the requisite authority, after being served with notice thereof, shall be suspended from all the rights and privileges of membership and excluded from the Exchange rooms until same shall have been paid in full, and the Board of Directors may, in their discretion, by resolution by a majority of the whole Board, declare his membership at an end and cause his name to be erased from the roll of membership.

ARTICLE VI.

Initiation Fee, Annual Dues, Etc.

Section 1. The initiation fee shall be five hundred (500) dollars; and the Annual Dues one hundred and fifty (150) dollars, payable between the first and twenty-fifth days of November; and no member whose dues are not paid by the latter date shall be entitled to any of the rights and privileges of membership of the Exchange until same shall have been paid in full; provided, that any member who shall have failed to pay his dues for the space of one year shall forfeit his membership and can only regain admission by going through the same course and paying the same initiation fees and dues as are now or may hereafter be prescribed in the case of new members; provided further, that any person elected a member of the Exchange after the first of March shall pay his dues at the rate of fifteen dollars per month for the unexpired portion of the year.

Section 1-A. Payment of Annual Dues by a member while under suspension shall not be construed as in any way affecting such suspension.

Section 1-B. The Board of Directors shall have authority to remit the Annual Dues of any member while said member is in the service of the Army or Navy of the United States when the United States is at war.

Section 1-C. The Board of Directors shall collect on all transactions made on and after August 1st, 1919, as assessments towards the Building Fund of the Exchange:

(a) On each and every contract of 100 bales sold by members of the New Orleans Cotton Exchange, for future delivery in New Orleans, six (6) cents.

(b) On each and every bale of cotton bought, and on each and every bale of cotton sold, the same as are now subject to the collection of supervision or levee inspection fees (being all cotton—

spot, F. O. B., small numbered, received, shipped or exported), three-fourths (¾) of a cent per bale, such charge to be collected from both seller and buyer on each transaction.

(c) The charges above provided shall be collected until the costs of building a new Exchange Building and furnishing the Exchange rooms and offices (including interest on loans contracted for such purposes and all other necessary expenses in connection therewith) shall have been fully liquidated; and no change in the Rules of the Exchange shall affect the collection of such charges until such liquidation shall have been completed.

(d) All collections as above set forth shall be monthly, and shall be kept in separate funds to be designated as the "New Orleans Cotton Exchange Building Fund."

All collections for the purposes above set forth shall cease as soon as the said costs of building and furnishing, including interest thereon, shall have been liquidated.

SECTION 2. Any member failing to pay any fines, dues or awards imposed or made by the Board of Directors, or any Committee having the requisite authority, after being served with notice thereof, shall be suspended from all the rights and privileges of membership and excluded from the Exchange rooms until same shall have been paid in full, and the Board of Directors may, in their discretion, by resolution by a majority of the whole Board, declare his membership at an end and cause his name to be erased from the roll of membership.

ARTICLE VII.

DUTIES OF MEMBERS.

Every member, upon signing the Constitution, pledges himself to abide by the same, and also by all By-Laws, Rules and regulations of the Exchange.

ARTICLE VIII.

RESIGNATION, SUSPENSION OR EXPULSION OF MEMBERS.

Resignations shall be in writing addressed to the Board of Directors, and to be effective must be accepted by the Board. The sale or transfer by a member of his only share of stock shall be equivalent to his tendering a formal written resignation to the Board of Directors.

Should any member tender his resignation, either in writing or by transfer of his only share of stock, while he is in arrears for any fines, dues or awards made or imposed by the Board of Directors, or any committee having requisite authority, or while under investigation for charges before the Committee on Membership, it shall be competent for the Board at any meeting subsequent to accept such resignation and, by a vote of a majority of the members present at such meeting, declare that the member resigned while in bad standing, or to refuse to accept such resignation, and to deal with the party as hereinafter provided, the same as if no such resignation had been tendered or transfer of stock made, and any declaration or action by the Board of Directors in reference to such party shall be posted conspicuously in the Exchange rooms, and any party so posted shall not again be admitted to membership until after compliance with the provisions of Article IX of the Constitution relating to re-admission of expelled members.

Any member of this Exchange who shall be accused of wilfully violating the Constitution, By-Laws or Rules, or of fraudulent breach of contract, or of any proceeding inconsistent with just and equitable principles of trade, or of any other misconduct (with members or non-members of this Exchange) may, on complaint, be summoned before the Committee on Membership, when, if desired, he shall be heard in his defense, and if the charge or charges against him be, in the opinion of the Committee, substantiated, the complaint shall be referred to the Board of Directors, who may, by a vote of not less than two-thirds (2/3) of the entire membership of the Board, suspend or expel him from the Exchange.

ARTICLE IX.

RE-ADMISSION OF EXPELLED MEMBERS.

Expelled members desiring re-admission to the Exchange must have their applications acted upon by the Committee on Membership and the Board of Directors as in the case of new members. Seven-eighths (7/8) of the votes cast shall be necessary to reinstate expelled members.

ARTICLE X.

AMENDMENTS.

Amendments to the Constitution or By-Laws must be proposed in writing by twenty-five (25) members, and the proposed amendments posted in the Exchange rooms for ten days, after which the President shall call a general meeting for the purpose of considering their acceptance or rejection; a vote of three-fourths of the members present being necessary to ratify the amendment.

BY-LAWS

BY-LAWS

ARTICLE I.

ELECTION OF OFFICERS AND DIRECTORS.

SECTION 1. The property and funds of the Association shall be managed and held in trust for the Association by the Board of Directors, which Board shall consist of the President, Vice-President, Treasurer and the Directors elected.

SEC. 2. It shall be the duty of the Board of Directors to appoint three Inspectors of Election not less than five days previous to the election, and ten days' notice of the election shall be posted in the Exchange rooms. Should any of the Inspectors of Election decline or fail to attend, the President shall appoint other persons to fill the vacancies; and, in case of failure to elect Directors on the day named for that purpose, the Officers and Directors then in office shall hold over until their successors are elected. Polls shall be open from 10 A. M. to 2 P. M., in the rooms of the Exchange. Each member shall be entitled to one vote in person (or by written power of attorney given to any member) by ballot; a majority of votes shall elect the persons for whom they shall have been given.

SEC. 3. The Board of Directors shall enter upon the duties of their office on the first Wednesday succeeding their election, and shall continue in office until the first Wednesday following the election of their successors. In the event of no election taking place on the date aforesaid, the President shall cause another election to be held within thirty days thereafter, and ten days' notice of the same shall be posted in the Exchange rooms.

SEC. 4. At their last regular monthly meeting preceding the annual election in each year, the President and Board of Directors

shall appoint a Nominating Committee consisting of (11) eleven members of the Exchange, none of whom shall be members of the then Board of Directors. It shall be the duty of this Committee to present candidates for all offices to be filled at the next succeeding annual election. In addition to the nominations presented by the Nominating Committee, independent nominations for any office may be made by any member of the Exchange. The names of all candidates presented by the Nominating Committee, with the respective offices for which they are nominated, shall be posted on the bulletin of the Exchange for at least ten days prior to the election; the names of the candidates independently nominated shall be similarly posted for at least five days prior to the election.

ARTICLE II.

MEETINGS AND EXCHANGE HOURS.

SECTION 1. Meetings of the Board shall be held on the first Wednesday of each month; and the President of the Board may call special meetings when deemed necessary, and shall do so when requested in writing by three members of the Board.

SEC. 2. The President shall also call meetings of the Exchange when ordered by the Board or when requested to do so in writing by twenty-five members of the Exchange, and when present shall preside at all meetings, both of the Exchange and the Board. The President may also call a meeting of the Exchange whenever, in his discretion, he shall deem it necessary. In the absence of the President, the Vice-President shall perform the duties of the President; and in the absence of both, a Chairman *pro tem.* shall be appointed, upon whom shall temporarily devolve all the duties of the President. At a general meeting, not less than fifty members shall constitute a quorum.

SEC. 3. The opening and closing of the Exchange shall be under the exclusive control of the Board of Directors.

ARTICLE III.

BOARD OF DIRECTORS.

SECTION 1. The Board of Directors shall have general and entire management of the Association not inconsistent with the Constitution and By-Laws; shall adopt such rules and regulations as they may deem best to carry out the purposes of the Association, and to do and perform all such acts as authorized by the Charter; have power to hire or lease and fit up such rooms as may be required for the purposes of the Exchange, and to appoint the Secretary and such subordinate officers or employes, and with such salaries as they may deem necessary.

They shall also have power to appoint a President *pro tem.* of the Exchange in case of absence of the President and Vice-President, and a Treasurer *pro tem.* in case of absence of the Treasurer.

SEC. 2. They shall, annually, during the month of November, submit to the members a printed statement of the affairs and finances of the Exchange, together with an estimate of expenses for the ensuing year.

SEC. 3. They shall appoint the following committees from the members of the Exchange, at the first meeting of the Board after their election, viz.:

Committee on Membership.

Committee on Information and Statistics.

Finance Committee, to consist of three members of the Board of Directors.

One or more Committees on Arbitration.

Committee of Appeals.

And from time to time such other committees as they may deem advisable, and define the duties and authority thereof.

ARTICLE IV.

ADOPTION AND AMENDMENT OF RULES.

All rules adopted by the Board of Directors shall be in force and be binding upon members and visiting members of the Exchange, and shall govern all cases to which they may be applicable, after they shall have been posted for ten (10) days in the Exchange rooms.

Any alteration of the rules relating to contracts shall be binding on all contracts entered into on and after date of posting same in the Exchange rooms.

ARTICLE V.

COMMITTEE ON MEMBERSHIP.

The Committee on Membership shall have charge of all applications for membership, for visiting membership, and for powers of attorney, and of charges against members for improper conduct. And it shall be the duty of said Committee to make such reports and recommendations on the subjects as they may deem for the interest of the Exchange.

ARTICLE VI.

COMMITTEE ON INFORMATION AND STATISTICS.

The Committee on Information and Statistics shall have charge of all matters pertaining to supply of newspapers, market reports, telegraphic information, and statistical information for the use of the Exchange; and it shall be the duty of said Committee to organize plans for obtaining early, reliable and regular information affecting the price of cotton from all cotton-producing and all cotton-consuming sections.

All contracts proposed to be made by said Committee for obtaining telegraphic information shall be approved by the Board of Directors.

ARTICLE VII.

COMMITTEE ON SPOT QUOTATIONS.

A Committee on Spot Quotations to consist of not less than three (3) members of the Board of Classers shall be appointed annually by the Board of Directors at its first meeting in December, and vacancies in said Committee from any cause shall be filled by the Board of Directors as occasion may require. It shall be the duty of said Committee to meet at such hours as may be designated by the Board of Directors and a majority of the members thereof shall constitute a quorum.

At each daily meeting, the Committee shall establish and announce the quotations for Spot Cotton as sold in this market by factors and others on spot terms which shall show the actual commercial differences between grades in the manner and under the conditions prescribed in the United States Cotton Futures Act, Section 6, and in accordance with such rulings as the Secretary of Agriculture may from time to time promulgate.

Whenever the value of one grade is to be determined from the sale or sales of spot cotton of another grade or grades, such value shall be fixed in accordance with rules and regulations which shall be prescribed for the purpose by the Secretary of Agriculture.

The Committee may at their discretion take into consideration bona fide offers to buy or sell spot cotton and base their quotations accordingly.

All quotations shall be based upon the Standards of this market as adopted by this Exchange and said quotations shall be posted prominently in the Exchange Rooms.

ARTICLE VIII.

FINANCE COMMITTEE.

The Finance Committee shall audit all bills, exercise a general supervision over the financial affairs of the Exchange, direct and

control all investments of the funds of the Exchange, and annually audit the accounts of the Treasurer, and report to the Board of Directors monthly.

ARTICLE IX.

ARBITRATION COMMITTEE.

An Arbitration Committee, to consist of nine members, to be appointed annually by the Board of Directors, at their first meeting, for the purpose of hearing and deciding claims of members against each other, arising from transactions in spot, future contracts and free on board cotton. Said Committee shall have the settlement of all such claims (subject only to the right of appeal to the Committee of Appeals, which appeal shall be made within three business days after receipt of the decision of the Arbitrators), excepting such as may arise from questions of classification of cotton, which shall be determined by a committee or committees of experts, to be appointed in such manner as the Board of Directors may see fit.

Each arbitrator acting on any one case shall be paid Five ($5) Dollars for such case, and the arbitrators in the award shall decide by whom the expenses of the arbitration shall be paid.

In addition to the above, the Board of Directors shall have power to appoint, from time to time, such additional Arbitration Committees as they may deem advisable.

ARTICLE X.

COMMITTEE OF APPEALS.

A Committee of Appeals shall be appointed by the Board of Directors and shall consist of seven (7) members of the Exchange, five (5) of whom shall constitute a quorum for the purpose of hearing and deciding such matters arising from transactions in spot, future contract and free on board cotton as may be submitted to

them on appeal from decision of the Arbitration Committee authorized under the first paragraph of Article 9 of the By-Laws.

All expenses attending such appeal, unless otherwise decided by said Appeal Committee, shall be borne by the party whose claim differs most from the final award, including costs of arbitration appealed from, and a fee of Five ($5) Dollars for each member of said Appeal Committee acting on such appeal.

The Board of Directors may by rule provide for such other Appeal Committee on matters not appertaining to cotton as it may deem fit to appoint in connection with arbitrations on such matters.

ARTICLE XI.

THE SECRETARY.

The Secretary shall keep accurate minutes of the meetings of the Exchange and the Board; he shall cause notice to be posted on the bulletins, and otherwise, as may be directed by the President or the Board, of all meetings of the Exchange, and give notice in writing of all the meetings of the Board.

ARTICLE XII.

THE TREASURER.

The Treasurer shall give bond, with security, for such amount as the Board of Directors may require.

He shall receive all funds belonging or payable to the Exchange and deposit them in the bank in the name of THE NEW ORLEANS COTTON EXCHANGE. All checks shall be signed by the Treasurer and countersigned by the President or Acting President.

He shall pay all bills against the Exchange when certified by the Finance Committee or authorized by the Board; he shall have custody of the corporate seal; he shall keep an account of all receipts and disbursements in a book to be kept for that purpose,

subject at all times to the examination of the Finance Committee and the Board of Directors; he shall render a report at each regular meeting of the Board, and a general annual report at the close of each year; and at the expiration of his term of office he shall transfer to his successor all funds, books, papers and other property of the Exchange in his possession.

ARTICLE XIII.

APPLICATIONS FOR MEMBERSHIP.

All applications for membership must be made to the Committee on Membership, and such as are recommended by the Committee shall be submitted to the Board of Directors, and such as are recommended by the Board of Directors shall be posted at the general meeting-room of the Exchange for ten days before being balloted for, with notice of the time at which such balloting will take place. The balloting shall be at the general Exchange rooms, and election day shall be every Wednesday. The polls shall be opened at 10 o'clock A. M., and close at 4 P. M. Each elector shall cast one ballot—if in favor of the candidate, the word "yes"; if against, the word "no," written or printed thereon. Three-fourths (¾) of the whole number of votes cast shall be required in favor of applicants to entitle them to membership. The Superintendent of Exchange, or his assistant, shall act as teller, and register the names of voters as polled. Two members of the Board of Directors or any of the sub-committees, shall be present at the counting of the votes cast, and they shall post the result over their signatures, on the bulletin of the Exchange, with reasonable dispatch. No name, after being rejected, shall be again proposed within six months after such rejection, except upon the written application of fifty members in good standing; and upon receipt of such application the Board of Directors shall, within a period of ten days thereafter, order a second ballot to be taken; and, in case of a second rejection, said

name cannot be proposed within twelve months of such rejection. Each member shall, within ten days after receiving notice of his election, sign the Constitution and pay to the Treasurer the annual dues, as provided in the Constitution.

ARTICLE XIV.

SETTLEMENT OF CLAIMS OF MEMBERS.

All claims, disputes, differences and controversies between members of the Exchange, arising out of any transaction in spot, future delivery or free on board cotton, shall be subjects of and determined by arbitration, if notice in writing of such claim, dispute, difference or controversy, and of the intention to demand an arbitration thereon, be served by either party upon the opposite party or parties thereto within ten (10) days from the discovery thereof, but not otherwise. The Superintendent of the Exchange shall draw by lot three members from among the nine members of the Arbitration Committee to serve in each case submitted for arbitration, who shall hear and determine the matter at issue. No member of the Committee who may be interested either as principal or broker in any case submitted for arbitration shall be competent to serve on such case; provided, that any party litigant shall be entitled to demand that the entire Committee shall act upon the case at issue. The decision of this Committee shall be binding, subject only to an appeal to the Appeal Committee, which appeal shall be made within three (3) business days after notice has been given of such decision, accompanied by a certified copy of same.

All claims, disputes, differences and controversies between members of the Exchange arising out of transactions other than in cotton within the scope of Article II of the Constitution, shall be subjects of and determined by arbitration before such committees and in such manner as may be determined upon by rules adopted by the Board of Directors.

ARTICLE XV.

COMPLAINTS OF MEMBERS.

SECTION 1. If complaint is made against a member under Article VIII of the Constitution, it must be in writing, addressed to the Committee on Membership, specifying the particular act complained of, together with all the documentary evidence bearing on the case, and a list of names of witnesses whom he may desire to be examined on said complaint. The Chairman of the Committee shall cause copies to be served on the member complained of; and it shall be the duty of the said member, within five days of the receipt of the same, to return them to the Committee with his written answer to the complaint, and all documents bearing on the case in his possession, with the names of witnesses whom he desires shall be summoned. The Chairman shall, as soon as expedient, after receipt of said answer, or, if no answer is received, after the expiration of five days from service of the copies of complaint, notify both parties and the witnesses named, of the time and place at which the Committee will meet to act on said complaint. If, after the examination, the Committee deem the charges substantiated, they shall so report to the Board of Directors, and deliver to the Board all documents relating thereto.

SEC. 2. The Board of Directors may, at their discretion, act upon the documentary evidence, or may call parties or such witnesses as they may desire to examine in the case before them; but one party shall not be called before the Board of Directors without giving the other party an opportunity of being present at the same time.

ARTICLE XVI.

POWERS OF ATTORNEY.

No Power of Attorney shall be granted to any person to do business on the floor of the Exchange for account of any member

At a General Meeting of the New Orleans Cotton Exchange held October 3rd, 1921, the following amendment to Article XVI of the By-Laws was adopted, viz:

AMENDMENT TO BY-LAWS

Article XVI

Pages 28-29 Edition of 1920.

Amend the first paragraph of Article XVI of the By-Laws by insertion of the following at the end of said paragraph:

Provided, in case of sickness or temporary absence from the city which temporarily incapacitates him from attendance on the Exchange, a member regularly residing in New Orleans may on written application, accompanied by power of attorney binding himself (or his principal should the member be a clerk) in the premises, which application shall be approved by the Committee on Membership of the Exchange, empower his *bona fide* partner or *bona fide* clerk or associate clerk to perform such functions in connection with trading on the floor of the Exchange as he might do if personally present. The period of such authorization not to exceed fifteen days, provided that the time may be extended for fifteen days additional on approval of the Committee on Membership; provided further that no partner or clerk authorized under this clause shall transact business in his own name; provided further that notice of all authorizations granted under this clause shall be posted prominently in the Exchange rooms and shall remain so posted during period of authorization.

or firm, unless such person be a full member of this Exchange, nor can any member be represented in any manner on the floor of the Exchange by any person not a full member.

In case of sickness or absence from the city of a member, he may, by simple written authorization, empower his *bona fide* recognized partner or clerk to visit the Exchange in his stead, for the sole purpose of obtaining news or information.

Any member, upon approval of the Committee on Membership, may obtain admission to the Exchange floor for his *bona fide* clerk or clerks, for the sole purpose of obtaining news or information, by payment, for each clerk, of the same dues as are now or may hereafter be paid by members. It being provided that no party admitted under this clause shall be allowed to transact business in the Exchange, either in his own name or that of his principal; nor shall any power of attorney or clerk, who is not a full member, under any circumstances, transact business on the floor of the Exchange for his own account.

Members paying for admission of clerks under this Article may change their representatives during the period paid for, without additional charge, on approval of the Committee on Membership.

Clerks admitted under this Article shall be subject to all rules of order applicable to members, and the Board of Directors may, at its discretion, require principals to change such Powers of Attorney or clerks representing them on the floor of the Exchange.

ARTICLE XVI-A.

During the present war, upon written application, duly approved by the Committee on Membership and by vote of three-fourths of the members of the Board of Directors, any member who is serving in the Army or Navy of the United States may be represented by his *bona fide* partner or clerk or associate in the exercise of his privileges of membership. It being provided that

no party admitted under this Article shall be allowed to transact business in his own name. Applications under this Article shall be posted in the Exchange rooms for ten days before being acted upon by the Board of Directors.

ARTICLE XVII.

MOTIONS.

No notice shall be taken at any meeting of the Exchange of any resolutions unless submitted in writing.

ARTICLE XVIII.

CONTRACTS.

SECTION 1. No contract to be made on 'Change, unless both parties to the same are members of the Exchange.

SEC. 2. All contracts falling due on legal holidays, or such holidays as are prescribed by the By-Laws or ordered by the Exchange, shall be completed on the preceding day, and when notice of five (5) days is required such notice shall be given at least five (5) days previous to the day preceding such holiday.

ARTICLE XIX.

VACANCIES.

All vacancies that may occur in the Board of Directors by death, resignation or otherwise, may be filled by the Board at any regular meeting.

ARTICLE XX.

COMMITTEE ON CREDITS AND LEGISLATION.

SECTION 1. The Board of Directors shall appoint a "Committee on Credits," to consist of three members, whose duty it shall

be to take cognizance of all violations of commercial integrity, honor and good faith, represented to them by members of this Exchange, whether such charges are made against cotton factors, cotton buyers or brokers of the City of New Orleans, or against merchants or planters in the country.

SEC. 2. This Committee shall keep, in a book prepared for that purpose, a record of all such charges as may be made, alphabetically arranged, which book shall at all times be open to the members of this Exchange. It is understood, however, that this Committee has no control over charges made against members of this Exchange, which charges properly come under the supervision of the Committee of Membership.*

ARTICLE XXI.

COMMITTEE ON BOOKS.

The President shall appoint a Committee of two, who shall examine the books of the Exchange, and report to the Board of Directors at their regular meeting in November.

* For other duties of Committee on Legislation, see Rule 13, General Rules.

SALE AND DELIVERY OF COTTON EX-WAREHOUSE.

AMENDMENT TO RULE 2, EX-WAREHOUSE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors August 5th, 1920; posted August 6th, 1920; effective August 16th, 1920).

Expunge Sections 1, 2, 4 and 5, of Rule 2, governing the sale and delivery of cotton ex-warehouse, as they now read, and substitute therefor the following, viz:

RULE 2. SEC. 1. Buyer shall have ten days from date of sale to receive cotton sold ex-warehouse.

SEC. 2. (a) When cotton sold ex-warehouse has been ordered by the buyer for delivery on or before the fifth day after the date of sale, copy of such order to be furnished the seller, then the cotton is paid for on actual delivery.

(b) When cotton sold ex-warehouse has not been ordered by buyer for delivery on or before the fifth day after the date of sale, then the seller may bill the buyer on the tenth day after the date of sale, with negotiable warehouse receipts attached (at actual or estimated weight) provided the warehouse is not congested, proof of which congestion must be in the form of a written statement from the warehouse certifying to their inability to deliver the cotton in question. When cotton has been billed on warehouse receipts, buyer must accept delivery within fifteen running days from date of sale; or seller has the right, after giving one day's notice to buyer, to proceed to have the cotton weighed and to demand final settlement in accordance with such weights.

(c) Where cotton is not ordered by buyer in five days and for any reason not invoiced by seller in ten days, buyer must assume insurance, storage and interest charges accruing after ten days from date of sale, provided there is no warehouse congestion.

SEC. 4. When cotton has been invoiced with warehouse receipts attached, the buyer shall assume all charges of insurance and storage after payment of invoice; provided, however, that the seller shall give to the buyer, without cost, the benefit of any unexpired storage that may run on the cotton.

SEC. 5. When cotton has been invoiced with warehouse receipts attached, final settlements shall be made on actual weights of the cotton received by the buyer and bill for final settlement shall be payable on the first business day after the day on which the cotton has been weighed. Any difference between the preliminary and final invoices in excess of 5 per cent variation either way shall be subject to mutual settlement as to interest. Should there be any rejections, the buyer shall, in rendering bill for final settlement, attach to his invoice warehouse receipts covering said rejections.

The rule as amended will read as follows:

Payment and Time for Delivery.

RULE 2. SEC. 1. Buyer shall have ten days from date of sale to receive cotton sold ex-wa[illegible]

SEC. 2. (a) When cotton sold ex-warehouse has been ordered by the buyer for delivery on or before the fifth day after the date of sale, copy of such order to be furnished the seller, then the cotton is paid for on actual delivery.

(b) When cotton sold ex-warehouse has not been ordered by buyer for delivery on or before the fifth day after the date of sale, then the seller may bill the buyer on the tenth day after the date of sale, with negotiable warehouse receipts attached (at actual or estimated weight) provided the warehouse is not congested, proof of which congestion must be in the form of a written statement from the warehouse certifying to their inability to deliver the cotton in question. When cotton has been billed on warehouse receipts, buyer must accept delivery within fifteen running days from date of sale; or seller has the right, after giving one day's notice to buyer, to proceed to have the cotton weighed and to demand final settlement in accordance with such weights.

(c) Where cotton is not ordered by buyer in five days and for any reason not invoiced by seller in ten days, buyer must assume insurance, storage and interest charges accruing after ten days from date of sale, provided there is no warehouse congestion.

SEC. 3. In default of payment as above, the seller shall have the right to re-sell the cotton for account of the buyer. The seller shall have the right to collect from the buyer any and all charges for extra storage, insurance and interest that may have accrued after the expiration of time allowed under this Rule, until the time the cotton is finally taken by the party to whom it is sold for buyer's account, as herein provided.

SEC. 4. When cotton has been invoiced with warehouse receipts attached, the buyer shall assume all charges of insurance and storage after payment of invoice; provided, however, that the seller shall give to the buyer, without cost, the benefit of any unexpired storage that may run on the cotton.

SEC. 5. When cotton has been invoiced with warehouse receipts attached, final settlements shall be made on actual weights of the cotton received by the buyer and bill for final settlement shall be payable on the first business day after the day on which the cotton has been weighed. Any difference between the preliminary and final invoices in excess of 5 per cent variation either way shall be subject to mutual settlement as to interest. Should there be any rejections, the buyer shall, in rendering bill for final settlement, attach to his invoice warehouse receipts covering said rejections.

SEC. 6. The seller shall have the right to ask for a certified check in settlement of any invoice to which negotiable documents are attached before surrendering such negotiable documents; provided, request for certified check is made before 12 o'clock noon.

Other Methods of Receiving and Delivering.

SEC. 7. Nothing in the Spot Rules of the New Orleans Cotton Exchange shall be construed as preventing buyers and sellers from agreeing upon any other method for the delivery and receipt of cotton.

SALE AND DELIVERY OF COTTON EX-WAREHOUSE.

RECEIPTS AND PAYMENTS.

Manner of Selling—When Agreement to Sell Is Final.

Rule 1. Section 1. Sellers shall offer cotton for sale as straight cotton, each sample not varying more than one full grade, based on U. S. Government Standards. Any sample showing a variation of more than one full grade shall be sold accordingly.

Sec. 2. A contract for the sale of cotton shall be deemed final when the price has been agreed upon between the seller and the buyer; provided, in the case of a sale to a broker, the name of the buyer is accepted by the seller.

PAYMENT AND TIME FOR DELIVERY.

Rule 2. Section 1. All cotton sold ex-warehouse shall be billed by the seller, with negotiable warehouse receipts attached to invoice, on actual or estimated weights on the day on which the cotton is ordered for delivery; provided, however, that should the cotton not be ordered by the buyer by the end of the ninth running day after date of sale, the seller shall then have the right to bill it on the tenth day after date of sale in the manner above set forth. In this event buyer must accept delivery within fifteen running days from date of sale; or seller has the right, after giving one day's notice to buyer, to proceed to have the cotton weighed and to demand final settlement in accordance with such weights.

Sec. 2. Should the buyer notify the seller, in writing, within three days from date of sale that he is unable to arrange with warehouse for delivery in the ten (10) day limit, the seller must then wait until the cotton is turned out and ready for delivery before invoicing, with warehouse receipt attached.

SEC. 3. In default of payment as above, the seller shall have the right to re-sell the cotton for account of the buyer. The seller shall have the right to collect from the buyer any and all charges for extra storage, insurance and interest that may have accrued after the expiration of time allowed under this Rule, until the time the cotton is finally taken by the party to whom it is sold for buyer's account, as herein provided.

SEC. 4. The buyer shall assume all charges of insurance and storage after payment of invoice; provided, however, that the seller shall give to the buyer, without cost, the benefit of any unexpired storage that may run on the cotton.

SEC. 5. Final settlements shall be made on actual weights of the cotton received by the buyer and bill for final settlement shall be payable on the first business day after the day on which the cotton has been weighed. Any difference between the preliminary and final invoices in excess of 5 per cent variation either way shall be subject to mutual settlement as to interest. Should there be any rejections, the buyer shall, in rendering bill for final settlement, attach to his invoice warehouse receipts covering said rejections.

SEC. 6. The seller shall have the right to ask for a certified check in settlement of any invoice to which negotiable documents are attached before surrendering such negotiable documents; provided, request for certified check is made before 12 o'clock noon.

OTHER METHOD OF RECEIVING AND DELIVERING.

SEC. 7. Nothing in the Spot Rules of the New Orleans Cotton Exchange shall be construed as preventing buyers and sellers from agreeing upon any other method for the delivery and receipt of cotton.

INSPECTING, SAMPLING AND CLASSING.

RULE 3. SEC. 1. Upon written request to the Exchange, all cotton received at the Public Warehouse or at other City Ware-

houses on storage, shall on arrival be sampled on both sides of the bale, and inspected in the head, by samplers and inspectors employed and duly licensed by the New Orleans Cotton Exchange. Sufficient cotton shall be taken from the bales to furnish the seller with a six-ounce sample and to furnish, through the Exchange, to the representatives of the United States Department of Agriculture, an additional eight ounce sample so that in event the cotton is to be certificated for delivery on Future Contracts the eight ounce sample so furnished can be divided into two four ounce samples as required by the regulations of the Secretary of Agriculture.

Any conditions not indicated by the samples shall be specified by the inspector or sampler of the cotton in a written memorandum which shall accompany the samples, and also noted on the samples.

Buyers to accept Exchange reserve sample as their sample, provided that, should buyers desire to resample the cotton, this may be done only after the cotton is weighed, and at buyer's expense; provided further, that any storer may have his own samplers sample his cotton, should he so desire, and offer the cotton so sampled accordingly, in which event the buyer has the right to resample the bales before weighing.

SEC. 2. The New Orleans Cotton Exchange will guarantee the correctness of its inspection and reserve samples so long as such samples remain in possession of the Exchange and the bales remain stored in warehouse (State-owned or independent) under its jurisdiction.

SEC. 3. When cotton which has been inspected and sampled by the Exchange is sold, the buyer may have the reserve samples exposed for examination by him in the Exchange rooms, and in event of any claims for differences, must notify the seller on the same day. He may call on the seller for his samples, which releases seller from all responsibility.

When cotton which has been inspected and sampled by the Exchange is sold, the disposition of the samples is to be made as follows:

The buyer has the option of either:

1. Obtaining reserve samples from the Cotton Exchange; or, of

2. Obtaining seller's samples, in which event the seller may obtain the reserve samples when the cotton is shipped.

The cost attending sampling, inspecting, etc., including Exchange fee, is to be equally divided between buyer and seller.

Reserve samples shall be removed within thirty days after the cotton has been shipped from the storage place, and notice of shipment has been given original storer by the Exchange, after which they become the property of the Exchange. On special request the Exchange may hold the samples longer than thirty days.

SEC. 4. The New Orleans Cotton Exchange, when so requested, shall class and/or staple the reserve samples or other samples submitted not for delivery on Future Contracts, issuing therefor class and/or staple sheets or certificates as may be desired.

The classification of cotton tendered on Future Contracts can only be determined by the Board of Cotton Examiners designated by the Chief of the Bureau of Markets of the Department of Agriculture.

SEC. 5. The fees for inspecting, classing and grading and custody of samples under the Spot Rules shall be fixed by the Board of Directors, who shall have the Treasurer of the Exchange keep a separate account therefor.

REJECTIONS, BAGGING AND TIES.

CAUSES FOR REJECTION.

RULE 4. There shall be no rejections by the buyer on cotton inspected and sampled by the New Orleans Cotton Exchange, if

the duplicate sample held by the Exchange is equal to the seller's sample; in the event that a buyer avails himself of his privilege of resampling the cotton there shall be no rejections if the redrawn sample equals the seller's samples; provided, that the seller must sell as such any or all irregular cotton so reported by the Exchange, or samples showing a difference of more than one full grade.

When the bales are inspected and sampled by the seller, and not by the New Orleans Cotton Exchange, the buyer shall have the right to reject all seedy, false-packed, mixed, dusty, sandy, gin-cut, re-baled cotton or cotton of perished staple or immature staple, unless it has been sold as such; also any cotton lower in grade than the lowest grade represented in the seller's samples. No other cotton shall be rejected when equal in quality to the sample by which it has been sold, if the sample has been fairly exhibited.

COMPENSATION FOR GRADES ON AVERAGE PRICE.

RULE 5. Where cotton of various grades has been sold at a uniform price, and the rejections are above the average grade of the list, the seller shall make good to the buyer the difference in value between the rejected bales and the average of the list, and where rejections are below the average of the list the buyer shall, in like manner, make good the difference in value to the seller. All such differences to be determined by the samples of the seller.

LIGHT-WEIGHT BALES.

RULE 6. Any bale of cotton weighing less than three hundred pounds shall be deemed unmerchantable, and may be rejected by the buyer.

NUMBER AND WEIGHT OF TIES.

RULE 7. SECTION 1. Six iron ties, not exceeding in weight twelve (12) pounds in the aggregate, shall be considered sufficient

for each uncompressed bale of cotton. Any excess shall, at the option of the buyer, be removed from the bale or be deducted from the gross weight. If a bale has less than six ties, allowance shall be made to the seller, the ties to be put on by the press at the expense of the seller.

SEC. 2. Where compressed bales are sold ex-warehouse and have seven (7) ties, no deduction is to be made for the seventh tie.

SEC. 3. When compressed cotton is sold ex-warehouse, the buyer shall pay the seller the current cost of compressing in New Orleans on such bales; provided, that if the cotton is high densitied, the buyer must be so notified at time of sale and pay compressing accordingly.

SEC. 4. Where a bale has more than seven (7) ties, allowance therefor shall be made by the seller at the rate of $1\frac{3}{10}$ pounds per tie.

SEC. 5. Compressed bales shall be settled for at actual weight, provided that allowance shall be made for any excess ties and bagging as provided for in the Rules.

SEC. 6. When uncompressed cotton is received, sampled and inspected by the Cotton Exchange and compressed on arrival, a patch weighing not exceeding three pounds may be put on the bale at the expense and for the benefit of the consignor or owner.

TARE—METHOD OF ASCERTAINING.

RULE 8. The amount of bagging used to cover any bale shall not exceed three and nine-sixteenths per cent of the weight of such bale, less the weight of the ties. Due allowance shall be made for any excess.

The actual tare shall be ascertained as follows: .When the lot numbers 50, or less, bales, 5 bales; when more than 50, up to 70, inclusive, 7 bales; and more than 70 bales, 10 bales; or more or less, as may be agreed upon, shall be taken indiscriminately,

No. 3.

AMENDMENT TO RULE 7 OF THE EX-WAREHOUSE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors June 2nd, 1920; Posted June 2nd, 1920; effective June 12th, 1920.)

Expunge Section 2, as it now reads, and substitute therefor the following:

"Where standard compressed bales are sold ex-warehouse and have seven (7) ties, no deduction is to be made for the seventh tie. In the case of high-density compressed bales with nine (9) ties, no deduction shall be made for ties."

◈ ◈ ◈

Expunge Section 4, as it now reads, and substitute therefor the following:

"Where a standard compressed bale has more than seven (7) ties, allowance therefor shall be made by the seller at the rate of one and three-tenths (1 3/10) pounds per tie; provided that in case of a high-density compressed bale having more than nine (9) ties, allowance therefor shall be made by the seller at the rate of one pound per extra tie."

No. 17.

AMENDMENT TO SECTION 3 OF RULE 7 OF THE EX-WAREHOUSE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors September 7th, 1921; Posted September 7th, 1921; effective September 17th, 1921.)

Amend Section 3 of Rule 7, of the Ex-warehouse Rules, page 40, by expunging the section as it now stands and substituting therefor the following:

Sec. 3. When compressed cotton is sold Ex-warehouse the buyer shall pay the seller 75 cents per bale on all such cotton wherever stored, except such cotton as was compressed at and by the Dock Board Warehouse since September 1st, 1920, in which case the charge shall be 60 cents, providing that if the cotton is high densitied the buyer must be so notified at time of sale and pay compressing accordingly.

weighed and then stripped of the bagging. The tare shall be ascertained as follows:

To calculate the allowance, the proportion of excess bagging over the 3 3/16 per cent shall be ascertained on the number of test bales. This proportion of excess, if any, shall then be applied on the gross weight of the entire lot after the weight of ties has been deducted.

EXAMPLE.

Given 100 bales weight		49,500 lbs.
Select 10 bales, weighing, say	4,860 lbs.	
Deduct for ties, 7 at 1 3/10 lbs. per bale		
"To arrive" (Rule 22)	91 lbs.	
Weight of cotton and bagging	4,769 lbs.	
Tare allowed under Rule	169.90, 3 3/16% of 4,769 lbs.	
Actual tare (bagging)	191.53, 4.01% of 4,769 lbs.	
		.45% excess tare
Weight 100 bales (gross)		49,500 lbs.
Less the ties		910 lbs.
Weight of cotton and bagging		48,590 lbs.

Therefore, the excess tare claim is .45 per cent of 48.590 pounds, or 218.66 pounds.

If the representative of the buyer and seller cannot agree in selecting the bales to be tared, the Chief Supervisor of the New Orleans Cotton Exchange shall appoint some one to make such selection.

If any claim for excess tare be established, the seller shall pay all expenses incurred in making the test; otherwise, the buyer.

UNMERCHANTABLE BAGGING.

RULE 9. All bagging which contains substances which may damage or which, when wet, will stain cotton, shall be considered unmerchantable; and all cotton covered therewith shall be re-covered with merchantable bagging at the expense of the seller.

GUARANTEE OF MERCHANTABLE COTTON.

RULE 10. SECTION 1. All sales of cotton, unless otherwise provided for at the time of sale, shall be deemed to have been made under a guarantee of its being in merchantable condition and in good order for immediate shipment, especially as to at least one space on the top side for re-marking, the Cotton Exchange Weigher to determine the condition of the bale. Buyers shall have the right to reject any cotton delivered in bad order or in a damaged condition, unless it can be put in order within the two days following delivery of the list.

SEC. 2. When the Chief Supervisor, the Assistant Chief Supervisor, or any of the Supervisors of the Exchange are called by parties to determine whether a bale of cotton is not in merchantable condition, a charge of five cents a bale shall be paid to the Exchange by the party differing most from the award.

DELIVERY AND INSPECTION.

WHEN DELIVERY IS COMPLETED.

RULE 11. The delivery of cotton shall be deemed to have been completed as it passes the scales, but the seller shall have an insurable interest in same until paid for. In like manner, where payments on account are made by the buyer prior to actual delivery, he shall be deemed to have an insurable interest in the cotton, and may require from the seller an assignment of his policy of insurance to the extent of such payments.

No. 6.

AMENDMENT TO EX-WAREHOUSE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors June 10th, 1920; Posted June 10th, 1920; Effective on and after June 21st, 1920.)

Amend Rule 10 of the Ex-Warehouse Rules by inserting the following as Section 3:

SEC. 3. Presses and warehouses must assume all responsibility for loss or damage to cotton for which a clean receipt has been issued.

No. 12.

Amendment to Rule 10 of the Ex-Warehouse Rules of the New Orleans Cotton Exchange.

(Adopted by the Board of Directors February 2nd, 1921; posted February 2nd, 1921; effective February 12th, 1921.)

Amend Section 3 of Rule 10 of the Ex-Warehouse Rules as amended June 10th, 1920, by addition of the following, viz:

"Except for concealed damage or damage caused by an Act of Providence."

The Section as amended will then read as follows:

EX-WAREHOUSE RULE 10.

"SEC. 3. Presses and warehouses must assume all responsibility for loss or damage to cotton for which a clean receipt has been issued, except for concealed damage or damage caused by an Act of Providence."

DUTIES OF BUYERS, SELLERS AND BROKERS.

Transactions Between Members and Non-Members.

Rule 12. Members of the Exchange, when purchasing cotton from or selling cotton to parties who are not members, shall stipulate that such purchase or sale shall be governed by the Rules of the Exchange, including those relating to supervision and inspection.

Brokers, when purchasing for parties who are not members of the Exchange, shall in each instance be required to inform the seller of that fact, and also to give the name of the buyer. In event of this clause not being observed, the broker shall be held responsible, under the Rules, for any infringement thereof that may occur.

WEIGHING AND RE-WEIGHING.

Duties of Sellers' and Buyers' Weighers.

Rule 13. Cotton shall be weighed, when required by the seller, by a sworn licensed weigher appointed by the New Orleans Cotton Exchange, who shall represent both the seller and the buyer; provided, that should any allowance be necessary, for any cause, a second sworn, licensed weigher shall be appointed; in the event the two weighers cannot agree on the allowanace to be made, a third weigher shall be appointed as umpire.

If the Cotton Exchange is not called upon by the seller to weigh the cotton, the seller's weigher shall not weigh any cotton for delivery, without the presence of the buyer's re-weigher, unless he shall have first given notice to the buyer's re-weigher, or to the buyer's classer, of his readiness to weigh the same at a time which he shall specify; should the buyer's re-weigher fail to be present at the time specified in said notice, a further delay of two hours shall be allowed, at the expiration of which time the seller's weigher may proceed with the weighing of the cotton without the presence of the buyer's re-weigher.

TESTING SCALES.

RULE 14. A duly authorized official of the Cotton Exchange shall test weighers' scales as often as necessary and at least once a week.

RECLAMATIONS.

CLAIMS FOR IRREGULARITIES—FALSELY PACKED COTTON.

RULE 15. After cotton has been examined, received and passed upon by the broker or other agent of the buyer, no claim shall be made upon the seller except for fraudulent or false packing and the allowance provided for in Rule No. 4.

Falsely or fraudulently packed cotton shall be defined as follows: Such bales as may contain any foreign substance, water-packed bales, or bales containing damaged cotton in the interior without any indication of such damage upon the exterior of the bale; also such bales as are plated—*i. e.*, composed of good cotton upon the exterior and decidedly inferior cotton in the interior of the bales, in such manner as not to be detected without opening the same.

FORMS FOR RECLAMATION.

RULE 16. When claims are made they shall be in writing, giving the shipping marks and numbers, also the planter's and all other legible marks; and a separate certificate shall be given for each bale, except where two or more bales bear the same planter's marks. The certificate shall also state the particulars of the fraudulent or false packing, and shall be verified by oath or affirmation.

LIMIT OF TIME.

RULE 17. In all cases where cotton is re-stored and held in this city, such claims shall be good against the seller for 100 days from date of sale, and where the cotton has been exported to a

foreign or domestic port the certificates and claim shall be dated within 100 days from the date of the arrival of the vessel carrying such cotton at her port of destination, and presented to the seller here, if from a foreign country, within thirty days, and if from an American mill, within ten days from date of claim.

ARBITRATIONS AND RECLAMATIONS.

RULE 18. All claims made out in conformity with the foregoing regulations shall be deemed *prima facie* valid in favor of the claimant, and can only be defeated by a decision of the Committee on Arbitration, or of the Committee of Appeals of the Exchange.

RECLAMATIONS ON COTTON STORED IN NEW ORLEANS.

RULE 19. Cotton bought and sold here, if found to be falsely or fraudulently packed, shall be returned within 100 days from date of sale to the seller, who shall pay for the same by the weight, and at the market value of the cotton of the grade shown by the original sample hole, at the time it shall be so returned.

COMMISSIONS.

ON BUYING AND SELLING.

RULE 20. Commissions for buying and selling shall be such as may be mutually agreed upon.

RULES GOVERNING COTTON TO ARRIVE

No. 19.

AMENDMENT TO RULE 1 OF THE RULES GOVERNING COTTON TO ARRIVE OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors September 7th, 1921; Posted September 7th, 1921; effective September 17th, 1921.)

Amend Rule 1 of the Rules Governing Cotton To-Arrive by expunging the second paragraph and substituting therefor the following:

The buyer to pay drayage and 75 cents per bale compressing provided that if the cotton is high densitied the buyer must be so notified at the time of sale and pay compressing accordingly. Each party shall pay his own sampling, Cotton Exchange Supervision and Levee Inspection fees to be paid by the buyer on all cotton sold To-Arrive.

The Rule as amended will read as follows:

When cotton to-arrive is sold, the price agreed upon in the contract shall include freight to New Orleans and ranging, but shall be exclusive of insurance if shipped all rail; freight and ranging to be deducted from invoice and paid for by the buyer.

The buyer to pay drayage and 75 cents per bale compressing provided that if the cotton is high densitied the buyer must be so notified at the time of sale and pay compressing accordingly. Each party shall pay his own sampling, Cotton Exchange Supervision and Levee Inspection fees to be paid by the buyer on all cotton sold To-Arrive.

RULES GOVERNING COTTON TO ARRIVE.

Rule 1.

When cotton to arrive is sold, the price agreed upon in the contract shall include freight to New Orleans and ranging, but shall be exclusive of insurance if shipped all rail; freight and ranging to be deducted from invoice and paid for by the buyer.

The buyer to pay drayage and the current cost of compressing in New Orleans; provided, that if the cotton is high densitied, the buyer must be so notified at time of sale and pay compressing accordingly. Each party shall pay his own sampling. Cotton Exchange supervision and levee inspection fees to be paid by the buyer on all cotton sold to arrive.

Rule 2.

All cotton sold on actual samples shall be at buyer's risk as soon as the terms of sale are agreed upon, provided railroad bill of lading is already signed, or as soon as it is signed thereafter; provided, however, that the documents must be delivered to the buyer; when sold on description it shall be at buyer's risk from the time railroad bill of lading is signed, provided he is given marks and name of shipper by the seller, prior to known loss.

Rule 3.

When cotton is sold "to arrive" for delivery at New Orleans by or within a certain specified time, *with the condition "barring fire,"* payment for same shall be demanded not more than ten (10)

days prior to the first day on which the cotton may be delivered; on such sales the cotton shall be at buyer's risk from time railroad bill of lading is signed, as provided in Rule 2; but should the cotton not arrive in New Orleans within the time specified, the buyer's risk on such cotton shall not extend beyond such date (except by mutual agreement); and in the event of the seller's replacing such cotton with cotton on the spot, the buyer must subrogate the seller his insurance on the original shipment.

Rule 4.

When cotton is sold "to arrive" for delivery at New Orleans by or within a certain specified time, *without the condition "barring fire,"* payment for same shall not be due until the arrival of the cotton at New Orleans, and the cotton shall be at the seller's risk until such payment is made.

Rule 5.

Unless any special time is agreed upon between the buyer and seller, all cotton sold "to arrive" shall be shipped from the interior point at which it is purchased within ten (10) days from the date of contract, weather permitting, and barring obstacles over which the interior shipper has no control, due proof of which shall be furnished to the buyer in New Orleans. Failing shipment within the specified time, none of the above mentioned obstacles having been encountered, it then becomes a question of delivery, and the local seller of cotton to arrive obligates himself to deliver the quantity and quality of cotton sold at ship's side in New Orleans within two (2) weeks of the time at which it should have been shipped. In such case the buyer shall not be compelled to pay the country invoice, but shall pay for the cotton on satisfactory delivery if made within the two weeks specified.

No. 4.

AMENDMENT TO RULE 5 OF THE TO-ARRIVE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors June 2nd, 1920; Posted June 2nd, 1920; effective June 12th, 1920.)

Expunge in the tenth line, after the word "sold," the words "at ship's side" and substitute therefor the words "on the spot."

The rule as amended will read as follows:

Unless any special time is agreed upon between the buyer and seller, all cotton sold "to-arrive" shall be shipped from the interior point at which it is purchased within ten (10) days from the date of contract, weather permitting, and barring obstacles over which the interior shipper has no control, due proof of which shall be furnished to the buyer in New Orleans. Failing shipment within the specified time, none of the above mentioned obstacles having been encountered, it then becomes a question of delivery, and the local seller of cotton to arrive obligates himself to deliver the quantity and quality of cotton sold on the spot in New Orleans within two (2) weeks of the time at which it should have been shipped. In such case the buyer shall not be compelled to pay the country invoice, but shall pay for the cotton on satisfactory delivery if made within the two weeks specified.

No. 9.

AMENDMENT TO RULE 7 OF THE RULES GOVERNING COTTON TO ARRIVE, OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors August 5th, 1920; posted August 6th, 1920; effective August 16th, 1920).

Expunge Rule 7 of the Rules Governing Cotton to arrive and substitute therefor the following:

RULE 7. All drafts and invoices for cotton shall be accompanied by the original bill of lading properly endorsed with car numbers inserted; provided, that where car numbers are not inserted the buyer shall not be required to pay for the cotton until it arrives in New Orleans. Not more than four bills of lading to one hundred bales of cotton or this proportion may be tendered the buyer; should the proportion of bills of lading be more than this, the buyer need not pay for the cotton until the entire lot has arrived and is ready for delivery. When the lot amounts to less than one hundred bales the buyer's responsibility for storage charges shall apply, only, after four (4) working days from receipt of arrival notice of completion of the entire lot. When the lot amounts to one hundred bales or more, the buyer's responsibility for storage charges shall apply, only, after four (4) working days from receipt of arrival notice of completed marks aggregating quantities of one hundred bales or more.

Where lots of one hundred bales or more are sold, the shipper shall not have the right of invoicing and drawing for less than one hundred bales, except to complete the sale.

Where invoices for cotton to arrive have local warehouse receipts attached instead of bills of lading the seller must assume storage charges for ten (10) days from date of payment of invoice and buyer shall receive benefit of any unexpired storage.

Rule 6.

Sellers of cotton to arrive shall be responsible in every respect for the proper fulfillment of all contracts, whether the name of the interior shipper be stated in the contract or not.

Rule 7.

All drafts or invoices for cotton shall be accompanied by the original bills of lading properly endorsed. Not more than four bills of lading to 100 bales of cotton, or this proportion, may be tendered the buyer; should the proportion of bills of lading be more than this, the buyer need not pay for the cotton until the entire lot has arrived and is ready for delivery. When the lot amounts to less than 100 bales, the buyer's responsibility for storage charges shall apply, only, after four working days from receipt of arrival notice of completion of the entire lot. When the lot amounts to 100 bales or more, the buyer's responsibility for storage charges shall apply, only, after four working days from receipt of arrival notice of completed marks aggregating quantities of 100 bales or more.

Where lots of 100 bales or more are sold, the shipper shall not have the right of invoicing and drawing for less than 100 bales on the same day.

Where invoices for cotton to arrive have local warehouse receipts attached instead of bills of lading, the seller must assume storage charges for seven (7) days from date of payment of invoice.

Rule 8.

When cotton is sold for examination in New Orleans, samples may be demanded by the buyer within five (5) days after delivery of the cotton; and when cotton is sold on guaranteed through terms, samples shall be forwarded by express within four (4) days after shipment. Failure to comply with the provisions of this Rule shall subject the seller to a penalty of $5 per 100 bales.

Rule 9.

All allowances awarded in New Orleans shall be promptly paid, and all other undisputed claims shall be paid within fourteen (14) days from date of presentation. Where cotton is weighed, sampled or inspected in New Orleans, all claims shall be presented within ten (10) days after delivery is completed or after arbitration is settled.

Rule 10

All to arrive cotton sold for examination in New Orleans shall average in weight not less than 450 pounds per bale. In the case of cotton sold for forward shipment or delivery (*i. e.,* not immediate or prompt shipment or for delivery within thirty days) the weight shall average not less than 480 pounds per bale and not more than 550 pounds per bale. Any excess or deficit in weight to be settled for at the market differences between the invoice price and the value on date of payment.

The present Spot Rule No. 6 shall still apply as to the minimum merchantable weights of single bales.

The maximum and minimum weights on guaranteed through shipments shall be subject to Liverpool or Bremen Rules, according to the terms of sale.

Rule 11.

Claims for fraudulently packed cotton shall be made in accordance with Rule 15, governing transactions in spots, which reads as follows:

"Falsely or fraudulently packed cotton shall be defined as follows: 'Such bales as may contain any foreign substance, water-packed bales, or bales containing damaged cotton in the interior, without any indication of such damage upon the exterior of the

bale; also such bales as are plated—*i. e.*, composed of good cotton upon the exterior and decidedly inferior cotton in the interior of the bales, in such manner as not to be detected without opening the same.'"

All claims as above shall be accompanied by vouchers duly sworn to before legal authority, setting forth in full the grounds on which the claim is based.

In all cases where cotton is restored and held in this city such claims shall be good against the seller for 100 days from date of delivery. Where cotton has been exported to a foreign or domestic port, the certificate and claim shall be dated within 100 days from the date of the last day of the discharge of the vessel carrying such cotton to the port of destination and must be presented to the seller here, if from Europe, within thirty (30) days, and if from American spinners within ten (10) days from date of claim.

Rule 12.

Barring obstacles over which the buyer has no control, due proof of which shall be furnished, cotton to be weighed in New Orleans shall be weighed within seven (7) working days after arrival, failing which, after three (3) days' notice, the seller shall be released from all responsibility. Cotton sold on Guaranteed Through terms, shipside New Orleans, shall be ordered for shipment within twenty (20) days after notice of arrival; otherwise seller shall not be responsible for any loss in weight.

Rule 13.

All invoices or drafts against cotton to arrive or cotton sold so as to reach here within a specified time, shall, upon presentation of documents not later than 2 p. m., be paid promptly, excepting in cases covered by Rules 3, 4, and 5.

The seller shall have the right to ask for a certified check in settlement of any invoice to which negotiable documents are attached before surrendering such negotiable documents; provided, request for certified check is made before 12 o'clock noon.

Rule 14.

When to arrive compressed cotton is condemned by the ship for deficient compressing, the buyer must identify each bale so condemned.

Claims for deficiency in compressing shall be presented within ten (10) days after sailing of vessel.

RULES GOVERNING COTTON SOLD FOR EXAMINATION IN NEW ORLEANS

RULES GOVERNING COTTON SOLD FOR EXAMINATION IN NEW ORLEANS.

Rule 15

Every contract for the sale of to arrive cotton on description must:

(1) Conform to the requirements of Section 4 of the Rules and Regulations made pursuant to the United States Cotton Futures Act.

(2) Specify the grade, type, sample, or description of the cotton involved in the contract, the price per pound at which such cotton is contracted to be bought or sold, the date of the purchase or sale, and the time when shipment or delivery of such cotton is to be made.

(3) Provide that cotton of or within the grade or of the type, or according to the sample or description, specified in the contract shall be delivered thereunder, and that no cotton which does not conform to the type, sample, or description, or which is not of or within the grade specified in the contract, shall be tendered or delivered thereunder.

(4) Provide that the delivery of cotton under the contract shall not be effected by means of "set-off" or "ring" settlement, but only by the actual transfer of the specified cotton mentioned in the contract.

The subdivisions (1), (3) and (4) shall be deemed fully incorporated into every contract made under the Rules and Regulations of this Exchange by the recital therein that it is subject to

the United States Cotton Futures Act, Section No. 10, and is governed by the Rules of the New Orleans Cotton Exchange.

All contracts made for the sale of cotton to arrive on grade description (*i. e.,* not on type or sample) shall describe the grade sold and to be delivered in the following form:

.....Bales of Cotton.
65 per cent (or more, at seller's option).....[1]
35 per cent (or less, at seller's option).....[2]
Price: .....cents per pound for.....[3]
deliveries and for.....[4] deliveries as much less as market price of.....[4] is below the market price of .....[3] at time of delivery.

---

[1] Here insert grade.
[2] Here insert the half grade lower.
[3] Here insert grade of which 65% or more to be delivered.
[4] Here insert grade of which 35% or less to be delivered.

Rule 16.

When cotton is bought on type, the seller, if requested, shall seal the type in the presence of the buyer.

Rule 17.

When cotton to arrive is sold on samples, or types, it shall be optional with the buyer whether he rejects or accepts with an allowance any bales tendered which were not represented in the original samples, or types.

This Rule thus applies only to contracts relating to Spot Cotton, and shall not apply to contracts made at, on, or in the Exchange for future delivery not properly considered as transactions in Spot Cotton.

RULE 18.

If the rejections under the above Rule out of any lot should amount to five (5) per cent or more, they shall be replaced immediately by the local seller with cotton ready for delivery; or at seller's option settlement shall be made with the buyer at the difference in the market value between the date of sale and the date of rejection.

RULE 19.

Cotton to arrive sold for examination in New Orleans may be received by the buyer through the New Orleans Cotton Exchange, he paying the extra charges.

RULE 20.

Cotton rejected (unless otherwise provided for in these Rules) shall be invoiced at contract price back to the local seller, who shall at once reimbures the buyer plus all valid charges incurred.

RULE 21.

SECTION 1. In case of dispute on contracts to which Rule 17 applies as to grade or staple, after examination of re-drawn samples, due allowance having been made on samples from compressed bales, the buyer shall make a demand for amount of allowance claimed, and the seller in turn shall state what allowance he is willing to make. Failing to agree, either party may demand an arbitration, in which case each party shall call in as arbitrator a member of the Exchange, who is not interested in the transaction, nor an employee of either party.

SEC. 2. The fee for such arbitration shall be five (5) cents per bale to each arbitrator, and, in case the arbitrators call in a third arbitrator, his fee, which shall be 3½ cents per bale, shall be paid

in equal shares by the two arbitrators; provided, that either party to the arbitration shall have a right to demand that two (2) arbitrators shall be drawn by lot by the Superintendent of the Exchange, from the panel of the Board of Classers, in which case the same amount of fees shall be charged and paid into the Cotton Exchange Inspection Fund. In the event of demand for arbitration through the Board of Classers, all samples and communications must be sent to the Secretary of the Exchange, and the packages of samples must be numbered by the Secretary before being sent to the Board of Classers. Names of the parties arbitrating are not to be divulged. Either party may appeal from the decision of the Board of Classers to the Appeal Committee on Classification, three members of which to be drawn from the panel to act in such case. The additional fees for appeal shall be sixteen (16) cents per bale, to be divided equally among the three members acting and the Exchange. The fees for any appeal shall not aggregate less than twelve ($12) dollars. The costs for arbitrations and appeals shall be paid by the party whose claim differs most from the final award.

Sec. 3. Contracts made at, on, or in the Exchange for future delivery which cannot properly be considered as sales of spot cotton, are within the United States Cotton Futures Act, and every such contract must provide that cotton of, or within, the grade, or of the type, or according to the sample or description specified in the contract, shall be delivered thereunder, and that no cotton which does not conform to the type, sample, or description, or which is not of, or within, the grade specified in the contract, shall be tendered or delivered thereunder. The purchaser is at liberty, if he sees fit, to voluntarily relinquish any of the rights secured to him by such contract, and to accept from the seller cotton tendered by the latter upon such basis as may be voluntarily agreed to between himself and the seller; or he may at the time of settlement voluntarily agree with the seller to accept a tender upon such basis as may be fixed

No. 2.

AMENDMENT TO RULE 22 OF THE TO-ARRIVE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors June 2nd, 1920; Posted June 2nd, 1920; effective June 12th, 1920.)

Add at the end of the rule the following:

"Provided that in case of high density bales, nine (9) ties shall be allowed. An allowance of one (1) pound per tie shall be made for all ties in excess of nine (9) ties; but there shall be no allowance when there are less than nine (9) ties."

The rule as amended will then read:

Compressed cotton, re-weighed in New Orleans, shall be settled for at actual weights, allowing seven (7) bands of the usual weight of one and three-tenths (1 3/10) pounds per band to the bale, and final settlement shall be on these weights, irrespective of country invoices, the differences to be paid to or collected from the seller by the buyer. Allowance shall be made by seller to buyer for any ties in excess of seven (7) carried by any compressed bale of cotton delivered in New Orleans without reference to any bales that carry less than seven (7) ties, and delivered in the same lot. Samples and loose shall be paid for by the buyer. Uncompressed bales to be also settled for at the actual weight, allowing six (6) ties to each bale. Provided that in case of high density bales, nine (9) ties shall be allowed. An allowance of one (1) pound per tie shall be made for all ties in excess of nine (9) ties; but there shall be no allowance when there are less than nine (9) ties.

by two members of the Exchange called in by buyer and seller respectively, as arbitrators (who shall not be interested in the transaction, nor an employee of either party). But no contract, agreement or rule, shall directly or indirectly compel or require the buyer to accept upon any basis, cotton which does not conform to the type, sample or description, or which is not of, or within, the grade specified in the contract, if at the time of tender he does not desire to accept it. In the event that the buyer voluntarily accepts cotton so tendered, upon the basis of allowance fixed by arbitrators, the fees for, and the manner of, the arbitration and appeals, shall be as provided in Section 2 of this Rule.

RULE 22.

Compressed cotton, re-weighed in New Orleans, shall be settled for at actual weights, allowing seven (7) bands of the usual weight of one and three-tenths $1\frac{3}{10}$) pounds per band to the bale, and final settlement shall be on these weights, irrespective of country invoices, the differences to be paid to or collected from the seller by the buyer. Allowance shall be made by seller to buyer for any ties in excess of seven (7) carried by any compressed bale of cotton delivered in New Orleans without reference to any bales that carry less than seven (7) ties, and delivered in the same lot. Samples and loose shall be paid for by the buyer. Uncompressed bales to be also settled for at the actual weight, allowing six (6) ties to each bale.

RULE 23.

Sellers shall be relieved of any further responsibilities after cotton is re-weighed and re-sampled in New Orleans, except in cases of fraudulently packed cotton, which shall be governed by Rule 11

Rule 24.

When cotton is re-sampled and re-weighed here without the knowledge of the seller or his representative, no claim shall be allowed.

Rule 25.

Cotton sold to arrive for examination in New Orleans shall be weighed in accordance with Rule 13 of the Spot Rules. The tare allowance, if any, to be made according to provisions of Rule 8 of the Spot Rules.

RULES GOVERNING COTTON SOLD ON "GUARANTEED THROUGH" TERMS

RULES GOVERNING COTTON SOLD ON "GUARANTEED THROUGH" TERMS.

Rule 26.

The seller of cotton "to arrive" shall guarantee the gross landing weight to be within one per cent of the gross invoice weight. Any excess of bands over nine hundred (900) pounds for each one hundred (100) bales of cotton to be deducted from landing weight; allowance to be made for missing bands and ship pickings.

Rule 27.

When the loss in weight on cotton sold on guaranteed through terms amounts to more than two (2%) per cent of the invoice weight, the seller shall refund to the buyer the ocean freight and insurance on the loss in weight above the usual one (1%) per cent franchise.

Rule 28.

Guaranteed through cotton shall not be re-weighed or re-sampled in New Orleans, unless the buyer or seller of such cotton shall have good cause to suspect serious irregularities. After notifying the other party interested, the cotton shall be re-weighed or re-sampled, or both, in New Orleans, by a weigher or sampler, or both, appointed by the Exchange. If the cotton turns out to have been fraudulently shipped, the seller shall pay all expenses, including weighing, sampling, inspecting, etc., and settlement shall be made

as in the case of cotton sold for examination here; if it turns out otherwise, it shall take the original course intended, and all expenses shall be paid by the party demanding the examination.

The buyer shall have the right to claim settlement for any difference on samples drawn as above, making due allowance for samples drawn from compressed bales.

Rule 29.

Cotton sold to arrive, guaranteed through, on samples, shall be guaranteed by the seller to turn out at port of discharge equal in all respects to the selling samples, with such allowance as obtains on samples from compressed bales at the port of discharge.

Rule 30.

Cotton sold landed at mill points in the United States shall be subject to the rules obtaining in the section of the destination of the cotton, so far as the same are not inconsistent with the requirements of the Cotton Futures Act, to the extent that the provisions of that Act may be applicable to the contracts upon which the cotton is sold.

Rule 31.

All cotton bought on one contract, if shipped by the exporter under one contract, shall be subject to one weight settlement. If shipped by the exporter under several contracts, weight settlements shall be made on each contract.

Rule 32.

Claims for loss in weight from foreign ports must be substantiated by the proper certificates from seller's controllers, or as may be mutually agreed upon. The seller shall pay controller's fee.

Rule 33.

All claims for loss in weight shall be forwarded from Europe within thirty (30) days, and for deficiency in grade within forty-five (45) days after discharge of vessel at point of destination, and must be presented to seller within twenty (20) days thereafter; otherwise, such claim shall not be binding on the seller.

Rule 34.

In claims on to arrive guaranteed through cotton for grade, six (6%) per cent shall be deducted from the gross invoice weight when the cotton has been shipped on C. F. and 6 per cent, or C. I. F. and 6 per cent terms, but not otherwise.

Rule 35.

In case of arbitration allowance on guaranteed through cotton, the loss in weight, if any, to be deducted from the invoice weight in making claim.

Rule 36.

When arbitration is held abroad on guaranteed through cotton, the fees shall be paid as is customary in the market in which the arbitration is held.

Rule 37.

Any claim relating to weight, tare or dampness, on guaranteed through cotton, not covered by any of the above provisions, must be established by the respective controllers at the port of discharge.

FUTURE BUSINESS

NEW ORLEANS COTTON EXCHANGE

TRANSACTION OF THE FUTURE BUSINESS

RULES RELATING TO

CONTRACTS AND DELIVERIES

FORM OF CONTRACT.

RULE 1. SECTION 1. No contract for the future delivery of cotton shall be noticed in any public report or printed circular, or in any manner recognized, acknowledged or enforced by the Exchange or any committee or officer thereof, unless both parties thereto shall be full members of the NEW ORLEANS COTTON EXCHANGE; it being provided, however, that where contracts are issued by firms composed of two or more partners, at least two of said partners shall be full members of said Exchange.

SECTION 2. The following form of contract, designated as a Section 5 Contract, shall apply to all contracts entered into on and after March 6th, 1919:

SECTION FIVE CONTRACT.

NEW ORLEANS,.....19....

In consideration of one dollar in hand paid, receipt of which is hereby acknowledged,.....of the City of New Orleans, State of Louisiana, have this day sold to (or

bought from).....of the City of New Orleans, State of Louisiana, 50,000 pounds, in about 100 square bales of cotton, growth of the United States, deliverable from approved storage places for cotton in the Port of New Orleans, between the first and last days of.....next, inclusive, excepting holidays as provided in Rule 38 of the Rules of the New Orleans Cotton Exchange for the transaction of the Future Contract business.

The delivery within such time to be at seller's option, in not more than two approved storage places, upon five business days' notice to the buyer, as provided by the Rules of the New Orleans Cotton Exchange.

The cotton to be dealt with herein or delivered hereunder shall be of, or within, the grades for which standards are established by the Secretary of Agriculture, except cotton prohibited from being delivered on a contract by the fifth subdivision of Section 5 of the United States Cotton Futures Act, as amended March 4th, 1919, and no other grade or grades (subject to the United States Cotton Futures Act, Section 5, and inspection and classification as provided in amendment to the United States Cotton Futures Act of March 4th, 1919) at the price of.....cents per pound for Middling.

In case cotton of grade other than the basis grade should be delivered or tendered in settlement of this contract, the differences above or below the contract price which the receiver shall pay for such grades, other than the basis grade, shall be the actual commercial differences determined as provided in Section 6 of the United States Cotton Futures Act, and the Amendment of March 4th, 1919.

Either party shall have the right to call for a margin as the variations of the market for like deliveries may warrant and which margin shall be kept good.

This contract is made in view of, and in all respects subject

to, the United States Cotton Futures Act, Section 5, as amended March 4th, 1919, and to the By-Laws, Rules and conditions, not in conflict therewith, established by the New Orleans Cotton Exchange.

(Signed).....

SECTION 3. Verbal contracts (which shall always be presumed to have been made in the form herein prescribed) shall have the same standing, force and effect as written ones, if notice in writing (conforming to the requirements of the United States Cotton Futures Act, as amended March 4th, 1919) of such contract shall have been given by one of the parties thereto to the other party during the day on which such contract was made or the next business day thereafter.

SECTION 4. For the purposes of the form of contract prescribed in Section 2 of Rule 1, the term "about 100 square bales of cotton" shall be deemed to mean "not more than 110 square bales of cotton."

RULE 1-A. To avoid abnormal fluctuations of price caused by conditions created by the European War, trades for future delivery in any month shall, during any one day, not be made at prices varying more than two cents per pound above or below the closing bid price of such month of the preceding business session of the Exchange. Nor shall trades in any month be made in any one day at an advance of more than two cents per pound above the lowest previous price of such month on that date, or at a decline of more than two cents per pound below the highest previous price of such month on that day.

For the purpose of this Rule, the closing bid price shall be not less than the minimum price prescribed herein. This Rule shall be in effect during the period of the war and for such period after the declaration of peace as the Board of Directors may hereafter determine.

At the discretion of the Board of Directors, the limits of trading herein provided for may be changed.

FORM OF ORDER TO BUY OR SELL CONTRACTS.

RULE 2. SECTION 1. Every order, written or verbal, given to a member of the New Orleans Cotton Exchange to buy or sell a contract for the future delivery of cotton, as agent or broker of the party giving the order, shall be agreed to be subject to the By-Laws and Rules of the New Orleans Cotton Exchange and subject to the United States Cotton Futures Act.

SECTION 2. It is the intent of the Rules of this Exchange that every contract for the future delivery of cotton made pursuant to these Rules shall be deemed to contain therein each and every provision and condition mentioned and described in Section 5 of the United States Cotton Futures Act, and each and every such provision or condition, whether expressly and in terms by said Rules incorporated in each such contract or not, is hereby made a part of each such contract as fully and effectually as if therein set out at length; and any provision of said Rules which may in any way conflict with any provision or condition mentioned or described in said Section 5 of said Act is hereby and to the extent of such conflict repealed and declared to be of no effect.

GENERAL PROVISIONS COVERING INSPECTION, CLASSIFICATION AND CERTIFICATION.

RULE 3. All tenders of cotton and settlements thereof under a Section 5 contract shall be in accordance with the classification thereof made under the regulations of the United States Secretary of Agriculture by such officer or officers of the Government as shall be designated for the purpose by said Secretary of Agriculture, and no cotton shall be tendered upon a contract for future delivery (designated as a Section 5 Contract) unless on or prior to the date fixed for delivery under such contract and in advance of settlement of the contract the person making the tender shall furnish to the person receiving the same a valid outstanding class certificate of

the Board of Cotton Examiners of the United States Agricultural Department showing such cotton to be tenderable under a Section 5 Contract, or a written notice of grade by the tenderer, validated by the Chairman of the Board of Cotton Examiners as provided in Regulation 8 of the Regulations of the Secretary of Agriculture, issued May 22nd, 1919, under Section 5 of the United States Cotton Futures Act as amended March 4th, 1919, said written notice to be followed by Cotton Class Certificate or Certificates of the Board of Cotton Examiners as provided in Section 5 of said Regulation 8.

The Inspection, Weighing and Sampling and the preparation of samples of cotton for classification by the Board of Cotton Examiners of the Agricultural Department shall be under the supervision of the Inspection Bureau of this Exchange, subject to the regulations of the Secretary of Agriculture and the said Inspection Bureau shall have the supervision or control of any cotton classified pursuant to such regulations.

LICENSING PRESSMEN, EMPLOYEES AND OTHERS.

RULE 4. All parties engaged in handling cotton for members of this Exchange, under these Rules, including Warehousemen, Pressmen, Assistant Inspectors, Weighers and Samplers, must be licensed or approved by the Board of Directors as follows:

Every application must be properly endorsed by two members of the New Orleans Cotton Exchange, and addressed to the Committee on Supervision and Deliveries (except in the case of Assistant Inspectors, who shall be appointed, as provided elsewhere in these Rules). That Committee, after examination into the character and qualifications of the applicant or appointee, shall forward the application or appointment, with its approval or disapproval, to the Secretary of the Exchange, and, in the latter case, shall specify the reasons for its action. If favorably considered by the Board, it shall be returned to the Committee with instructions

to issue the license applied for, which license must be signed by the President of the Exchange and countersigned by the Secretary. If not approved by the Board of Directors, it shall be returned to the Committee with memorandum of disapproval endorsed thereon.

Storage places for cotton within the limits of the Port of New Orleans must be recommended by the Committee on Supervision and Deliveries and approved by the Board of Directors.

Any license or approval issued under the provisions of this Rule may be cancelled at any time, either by the Board of Directors or the party holding the license or approval (except as to contracts existing at date of notice), by a notice in writing, stating the intention to cancel, given by one party to the other; but a notice to cancel a Warehouseman's or Pressman's approval must be served at least thirty days before the date therein specified as the date of cancellation.

COMMITTEES, ETC., TO CARRY OUT HANDLING RULES AND REGULATIONS.

Rule 5. The Board of Directors shall annually, at the first meeting after their election, appoint the following:

A Committee on Supervision and Deliveries.

An Inspector-in-Chief.

A Board of Classers or Inspection Bureau for the supervision of the examination, inspection and sampling of cotton and the classification of such cotton (Spot, "to arrive," etc.) as may be submitted to them for that purpose. Not less than three members of which Board shall serve as a Committee on Spot Quotations as provided in Article VII of the By-Laws.

An Appeal Committee on Classification.

COMMITTEE ON SUPERVISION AND DELIVERIES.

Rule 6. The Committee on Supervision and Deliveries shall consist of the President, ex-officio; at least one member of the

AMENDMENT TO RULE 4 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE 1920 EDITION.

(Adopted by the Board of Directors April 7, 1920. Posted April 8, 1920; effective April 19, 1920.)

Amend Rule 4 of the Future Rules (Edition of 1920) by insertion of the following after the third paragraph:

Presses or storage places shall be required to have all cotton that may be stored in the open and subject to weather conditions, placed on skids and covered with tarpaulins.

The physical conditions of presses and storage places for cotton shall at all times be subject to the inspection of the Inspection Bureau of the Exchange and such presses or storage places shall be required to keep all open courts in order, properly shelled and well drained.

Board of Directors, who shall be Chairman, and four members interested in the trade. Four members of said Committee shall constitute a quorum.

This Committee shall have general supervision and direction of the Inspection Bureau, subject to the Board of Directors, and shall decide questions of detail that may arise in the inspection of cotton. It shall serve as a Conference Committee with the Government officials in reference to the United States Cotton Futures Act and shall co-operate therewith in the application of the Government regulations for certification of contract deliveries. This Committee shall also have charge of all matters appertaining to the Spot Sample Department and to Supervision and Levee Inspection as provided in Rule 3 of the Press Supervision Rules.

It shall be the duty of this Committee to examine into, and pass upon, all applications for licenses or approvals of Pressmen or Warehousemen, Assistant Inspectors, Weighers and Samplers (conferring, when necessary, in reference thereto with the United States Local Board of Cotton Examiners or the Chief of the Bureau of Markets), refer the same to the Board of Directors, with its recommendations, for final action; and to adopt such rules and regulations for the guidance of licensed or approved parties as it may deem necessary, and to report the same to the Board of Directors. Upon complaint of misconduct on the part of any person or persons licensed or approved by the Exchange (which complaint must be reduced to writing and verified by the party making it), it shall be the duty of this Committee to summon the accused and accuser before it, to sit as a Court of Inquiry in such case or cases, to take testimony under oath, and to submit the same, together with its recommendations, to the Board of Directors for its approval.

The Committee may, in its discretion, suspend the license or approval of any party, pending the final action of the Board.

It shall be the duty of the Chairman of the Committee on Supervision and Deliveries, upon issuing a license to each Weigher

and Assistant Inspector, to have administered to such Weigher or Assistant Inspector the following oath: "I do solemnly swear (or affirm, as the case may be) that I will execute the duties of Weigher (or Assistant Inspector) of Cotton, under the Rules of the New Orleans Cotton Exchange, with strict impartiality, and according to the best of my ability."

INSPECTOR-IN-CHIEF; ASSISTANT INSPECTORS; SAMPLERS.

RULE 7. SECTION 1. At the first meeting held during the month of December, or at any meeting, in case a vacancy in the position should occur, the Board of Directors shall appoint an Inspector-in-Chief of Cotton (who may, if required, be the Chief Supervisor of the Exchange). The Board of Directors shall appoint such Assistant Inspectors as may be necessary, who may also, if desired, serve as Assistant Supervisors. The Inspector-in-Chief shall be Chairman of the Board of Classers or Inspection Bureau.

SECTION 2. It shall be the duty of the Inspector-in-Chief, when called upon to make an inspection of cotton for classification by the Government Board of Cotton Examiners, or for spot, "to arrive" or other purposes, to detail an Assistant Inspector and a duly licensed Sampler and Weigher, to whom he shall furnish instructions as to sampling and weighing, and over whom he shall have supervision and direction. He shall keep a record of all such cotton as may be inspected, of the marks by which it is submitted, re-marks, classification, place and date of inspection, inspection numbers, names of parties requesting inspection, names of Samplers and Weighers, numbers, weights and any other necessary details, and, upon application by the owner or parties properly interested in the cotton, furnish to them such reports of the same as they may require. He shall have charge of the Spot Sample Department, subject to the Committee on Supervision and Deliveries. He shall

also keep a record of the expenditures incurred in the management of his office as Inspector-in-Chief.

INSPECTION BUREAU.

RULE 8. SECTION 1. The Board of Classers (Inspection Bureau) shall consist of from three to seven recognized experts (including the Inspector-in-Chief as Chairman thereof), who shall be paid salaries, to be fixed by the Board of Directors, whose services shall be entirely at the disposition of the Exchange during each business day, and who shall not be engaged in any occupation other than classing cotton for the Exchange and the performance of such other duties as may be required of them under the By-Laws or by direction of the Board of Directors; excepting that the Inspector-in-Chief may, in addition to classing cotton, also perform such duties of inspection and supervision as may be required of him, but shall have no occupation other than that strictly called for by his employment by the Exchange.

Two members of this Board shall constitute a quorum, to whom shall be submitted samples designated by the Inspector-in-Chief for classification.

In the event of these two being unable to agree, they shall take a third from the remainder of the Board, and a majority of these three shall decide the classification.

SECTION 2. Any decisions rendered by the Board of Classers (except those relating to rejections of unsound or unmerchantable cotton) may be appealed from by either party in interest to the Appeal Committee on Classification.

SECTION 3. Unless otherwise designated, decisions of the Board of Classers shall be guided by the "Official Cotton Standards of the United States," which are made the official standards of the Exchange, and it is made their duty to refer to said standards in each and every case before them relating to the grading of such samples of cotton as may be submitted to them.

SECTION 4. The Board of Directors may, at its discretion, appoint such additional salaried Classers for temporary service as exigencies may require. All appointees to these positions shall be subject to removal at the pleasure of the Board of Directors.

In the event of the absence, by reason of illness or other cause, of any member of the Board of Classers, the Board of Directors shall be empowered to fill the vacancy, either permanently or for the time.

CLERK, BOARD OF CLASSERS.

RULE 9. The Committee on Supervision and Deliveries may appoint, subject to the approval of the Board of Directors, a Clerk of the Board of Classers, who shall be paid such salary as may be fixed by the Board of Directors. It shall be the duty of this Clerk to take charge of the Classification Room, and of the types and samples therein contained, to receipt for all samples sent to the Board, to see that the seals of all samples submitted to the Board are broken only by or in the presence of said Board, to make out the reports of decisions by the Board of Classers or Appeal Committee on Classification, to send the same to the respective parties in interest, and to keep a record of all transactions of both the Board of Classers and the Appeal Committee and of all business done in the Committee Room.

APPEAL COMMITTEE ON CLASSIFICATION.

RULE 10. SECTION 1. The Board of Directors shall appoint annually, in the month of December, an Appeal Committee on Classification, to consist of seven members of the Exchange, who shall be recognized experts in the classification of cotton.

SECTION 2. The duties of such Appeal Committee on Classification shall be to decide questions relating to grade and staple of cotton not provided for in the United States Cotton Futures Act

or regulations thereof as may be referred to them on appeal from the Board of Classers.

The Appeal Committee shall be furnished by the Superintendent of the Exchange with a copy of the award of the Board of Classers (or Inspection Bureau) from which appeal is made.

SECTION 3. Three members of said Committee, to be chosen by lot by the Superintendent, shall serve on each appeal, and the award of a majority shall be final and binding.

SECTION 4. No member of said Committee shall serve as an arbitrator on any appeal wherein he is directly or indirectly interested.

SECTION 5. The samples of cotton sent up for appeal shall be classed between the hours of 10 a. m. and 3 p. m., but must be exposed for twenty-four (24) hours before being classed or passed upon.

Exposure of samples as above provided may be waived by request of the party appealing, but in that event the appeal fee must be paid in full, regardless of outturn compared with decision of arbitrators, provided also that the words, "Exposure waived," must be written across the Appeal Committee's award.

Examination of samples and awards may be made on legal or other holidays.

SECTION 6. The fees for each appeal shall be sixteen (16) cents per bale, of which four cents per bale to be paid to each of the three members of the Appeal Committee, and four cents to the Exchange; and such fees shall be paid by the party appealing, unless more than fifty per cent of his claim is sustained; said fifty per cent to be calculated by number of bales or by value in hundredths of a cent in accordance with the manner in which claims are made. Should claimants not specify their demands, the fifty per cent shall be calculated by number of bales on which gains or

losses have been made. Fees for any appeal on grade or staple shall not aggregate less than twelve (12) dollars.

SECTION 7. The decision of the Appeal Committee shall be made as soon as practicable in writing, and filed with the Superintendent of the Exchange, who shall serve a copy thereof upon each party interested and collect the fees.

SECTION 8. Unless otherwise called for in an appeal, the decisions of the Appeal Committee on Classification shall be guided by the Official Cotton Standard of the United States, which are official standards of the Exchange, and it is made the duty of the members to refer to said standards in each and every matter before them which relates to the grading of cotton.

SECTION 9. If any member of this Committee drawn by lot to serve in any case is disqualified or unable to attend, the Superintendent shall draw another in his stead.

WEIGHT RETURNS.

RULE 11. Cotton delivered on contract must, prior to delivery, be weighed through the Exchange, after sampling by a duly licensed Weigher, under the supervision of an Assistant Inspector or licensed Weigher duly appointed by the Exchange for the purpose, who shall act as a reweigher, taking the weights from the actual weighing, as shown by the beam (and not from the Weigher's book or verbal report), according to the original marks, re-marks, lot number and tag number.

Returns of said weights, in accordance with the marks and numbers, shall be made in duplicate, or triplicate, if desired by the owner, one of which shall be sent by the Weigher to the office of the Inspector-in-Chief for record and a duplicate sent to the owner of the cotton. The copy of said weights sent to the office of the Inspector-in-Chief shall be compared with the returns of the reweigher, bale by bale, and in event of any discrepancies, the cotton

No. 16.

AMENDMENT TO RULE 11 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors July 6th, 1921; Posted July 7th, 1921; Effective July 18th, 1921).

Amend Rule 11 of the Future Rules, page 82, (1920 edition) by substituting the following for the first paragraph:

Weight Returns.

Rule 11. Cotton delivered on contract must prior to delivery, be weighed through the Exchange after sampling by a duly licensed weigher under supervision of a licensed re-weigher.

A Board of Weighers of Contract cotton to consist of eight members shall be appointed by the Committee on Supervision and Deliveries subject to approval of the Board of Directors, and the members of said Board shall be duly licensed by the Exchange. No other parties shall be eligible to weigh contract cotton. In case of special emergency the committee may appoint additional weighers for service in the case at hand.

When cotton is tendered to the Exchange for weighing, two members of said Board of Weighers shall be drawn by lot by the Inspector in Chief or the Associate Inspector in Chief to weigh such cotton, the first drawn to be the weigher and the other the re-weigher; provided that no party who is in the employ of the owner, deliverer or receiver of such cotton, or is directly or indirectly interested shall be eligible for service thereon.

The re-weigher's weights must be taken from the actual weighing as shown by the beam (and not from weigher's book or verbal report) according to original marks, re-marks, lot number and tag number. If any allowances in weight are made, the amount thereof and the reason therefor shall be noted next to each individual bale on the weight returns.

It shall be the duty of the parties thus drawn to give preference to the Exchange work and it shall be equally their duty to immedi-

ay

shall be weighed again. Charge for weighing shall be determined by the Board of Directors, one-half of which charge shall be paid by the receiver of the cotton to the party making the delivery. The deliverer shall furnish the receiver with a copy of the detailed weight returns.

INSPECTION, SAMPLING—DUTIES OF INSPECTION BUREAU.

RULE 12. SECTION 1. The inspection and sampling of cotton for delivery on contract shall be in accordance with Regulation 5 of the "Regulations of the Secretary of Agriculture," under Section 5 of the United States Cotton Futures Act, as amended March 4th, 1919, issued May 22nd, 1919, copy of which and of the United States Cotton Futures Act, as amended March 4th, 1919, are attached hereto in appendix to these Rules.

It is made the duty of the Exchange Inspection Bureau to co-operate with the Bureau of Markets of the United States Department of Agriculture and the Board of Cotton Examiners of said Bureau, in the inspection, sampling and preparation of cotton samples for classification by said Board of Cotton Examiners, and to perform such other functions as may be requested of it in furtherance of the United States Cotton Futures Act and the regulations in pursuance thereof.

SECTION 2. It shall be the duty of the Assistant Inspector, together with the Sampler, to carefully examine and inspect each bale, to see that the same is sound and merchantable, and that no other bale is permitted to be put in any class mark or lot that is to be sent to the Board of Cotton Examiners. The samples of such bales as may be rejected by the Assistant Inspector and Sampler shall be carefully preserved, with all defects, and, at the option of the owner of the cotton, may be submitted to the Board of Cotton Examiners, to determine whether the rejection made is proper. It

No. 16.

AMENDMENT TO RULE 11 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors July 6th, 1921; Posted July 7th, 1921; Effective July 18th, 1921).

Amend Rule 11 of the Future Rules, page 82, (1920 edition) by substituting the following for the first paragraph:

Weight Returns.

Rule 11. Cotton delivered on contract must prior to delivery, be weighed through the Exchange after sampling by a duly licensed weigher under supervision of a licensed re-weigher.

A Board of Weighers of Contract cotton to consist of eight members shall be appointed by the Committee on Supervision and Deliveries subject to approval of the Board of Directors, and the members of said Board shall be duly licensed by the Exchange. No other parties shall be eligible to weigh contract cotton. In case of special emergency the committee may appoint additional weighers for service in the case at hand.

When cotton is tendered to the Exchange for weighing, two members of said Board of Weighers shall be drawn by lot by the Inspector in Chief or the Associate Inspector in Chief to weigh such cotton, the first drawn to be the weigher and the other the re-weigher; provided that no party who is in the employ of the owner, deliverer or receiver of such cotton, or is directly or indirectly interested shall be eligible for service thereon.

The re-weigher's weights must be taken from the actual weighing as shown by the beam (and not from weigher's book or verbal report) according to original marks, re-marks, lot number and tag number. If any allowances in weight are made, the amount thereof and the reason therefor shall be noted next to each individual bale on the weight returns.

It shall be the duty of the parties thus drawn to give preference to the Exchange work and it shall be equally their duty to immediately notify the Inspector-in-Chief if they are unable from any cause to weigh the cotton assigned to them; in such case other parties shall be drawn from the panel of the Board of Weighers. Each of the eight weighers appointed to membership of the Board of Weighers shall obligate himself in writing to give preference to Exchange work and to do the work allotted to him whether the number of bales on which he is drawn shall be large or small, and any weigher failing to abide by this requirement shall be summarily removed from membership of the Board of Weighers. Such removals shall be made by vote of the Committee on Supervision and Deliveries who shall proceed without delay to fill the vacancies thus caused; said Committee shall also investigate complaints of inefficient work and may for such cause remove parties from membership of the Board; provided that any weigher so charged shall be permitted to appear before the Committee in defense of his work.

being provided that neither the Assistant Inspector nor Sampler shall pass on any question of grade.

MIXED PACKED, SANDY, DUSTY, COMPRESSED AND SHIPMARKED COTTON.

RULE 13. SECTION 1. No mixed packed cotton shall be received on contract.

SECTION 2. A bale of cotton shall be considered mixed when a difference of more than two grades is shown between samples drawn from the heads, top and bottom sides of the bale, or when such samples show a difference in color exceeding two grades, said grades being the Official Cotton Standards of the United States.

SECTION 3. Samples of sandy and dusty cotton shall always be classed and kept separate from clean cotton.

SECTION 4. Removal of one or more bands from the bale for purpose of inspection shall be at the owner's expense, including cost of compressing (if any).

SECTION 5. In the event of a disagreement as to the quantity of sand in any bale or bales, either the Inspector-in-Chief or the owner of the cotton may require any such bale or bales to be opened and the actual quantity of sand ascertained, all expenses and loss incident thereto to be paid by the party in error.

The bale shall be opened in the presence of representatives of the owner and the Inspector-in-Chief, and an amount of cotton sufficient to be thoroughly representative shall be taken therefrom, and weighed on scales provided by the Exchange; the cotton shall then be shaken thoroughly in the presence of both parties, and the sand obtained therefrom weighed; such bales as are found to contain more than one per cent of sand shall be rejected; the percentage of sand in the other bales shall be marked on the samples submitted to the Board of Classers.

No. 18.

AMENDMENT TO SECTION 8 OF RULE 13 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors September 7th, 1921; Posted September 7th, 1921; effective September 17th, 1921.)

Amend Section 8, of Rule 13 of the Future Rules, page 85, by expunging the first paragraph thereof as it now reads and substituting therefor the following, viz:

Sec. 8. The charge for compressing on compressed cotton delivered on contract due by the receiver to the deliverer shall be 75 cents per bale on all compressed cotton wherever stored, except such cotton as was compressed at and by the Dock Board Warehouse since September 1st, 1920, in which case the charge shall be 60 cents, provided the cotton is properly compressed according to the standards of the New Orleans Cotton Exchange and if so certified by the duly authorized employees of the New Orleans Cotton Exchange.

The Section as amended will read as follows:

Sec. 8. The charge for compressing on compressed cotton delivered on contract due by the receiver to the deliverer shall be 75 cents per bale on all compressed cotton wherever stored, except such cotton as was compressed at and by the Dock Board Warehouse since September 1st, 1920, in which case the charge shall be 60 cents, provided the cotton is properly compressed according to the standards of the New Orleans Cotton Exchange and if so certified by the duly authorized employees of the New Orleans Cotton Exchange.

The receiver shall deposit with the Superintendent of the Exchange, by certified check, the same as is done in the case of regular future margins, a sum sufficient to cover the cost of compressing customary at time of delivery. This amount shall be deposited in bank and a certificate of deposit obtained therefor, payable to deliverer or receiver as the Superintendent of the Exchange may direct. The sum thus deposited shall be held for six months, at the expiration of which time the deliverer shall be entitled to same. or to such portion of said sum as will cover such bales as retain compressing up to standard, the difference to be returned to the receiver.

Should it be determined in less than six months that any or all of the bales are not up to standard, the receiver shall be entitled to return of amount due on such bales.

AMENDMENT TO RULE 13 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE—1920 EDITION.

(Adopted by the Board of Directors April 7, 1920. Posted April 8, 1920; effective April 19, 1920.)

Amend Section 9 of Rule 13 of the Future Rules (Edition of 1920) by addition of the following:

Under no circumstances shall the Exchange be held responsible for damage accruing to cotton handled under the provisions of this rule.

Notice in writing must be sent the Inspection Department when cotton handled under this Rule is ready to be moved into store.

The section as amended will read as follows:

SAMPLING, ETC., AT RAILROAD DEPOTS.

Section 9. Cotton may be inspected, weighed and sampled for certification at railroad depots, but must be hauled to and stored in an approved storage place for cotton before delivery thereof on contract, provided that such cotton shall be under the supervision of the Exchange Inspection Bureau during the time it is held in railroad depots, and that transfer from depots to approved storage place is made under supervision of said Inspection Bureau in order that identity of the cotton may be properly preserved.

Under no circumstances shall the Exchange be held responsible for damage accruing to cotton handled under the provisions of this rule.

Notice in writing must be sent the Inspection Department when cotton handled under this Rule is ready to be moved into store.

SECTION 6. Compressed and shipmarked cotton shall be considered a good delivery, provided the same is in merchantable order and condition, especially as to at least one space on the top side of the bale for re-marking.

SECTION 7. When compressed cotton is delivered on contracts, the allowances in weights shall be the same as are now or may hereafter be made for deliveries under the Rules governing sale of cotton "to arrive."

SECTION 8. Where compressed cotton is delivered on contracts, the customary cost of compressing in New Orleans shall be due by the receiver to the deliverer, if found properly compressed, according to the standard of the New Orleans Cotton Exchange, and if so certified by the duly authorized employees of the New Orleans Cotton Exchange.

The receiver shall deposit with the Superintendent of the Exchange, by certified check, the same as is done in the case of regular future margins, a sum sufficient to cover the cost of compressing customary at the time of delivery. This amount shall be deposited in bank and a certificate of deposit obtained therefor, payable to deliverer or receiver as the Superintendent of the Exchange may direct. The sum thus deposited shall be held for six months, at the expiration of which time the deliverer shall be entitled to same, or to such portion of said sum as will cover such bales as retain compressing up to standard, the difference to be returned to the receiver.

Should it be determined in less than six months that any or all of the bales are not up to standard, the receiver shall be entitled to return of amount due on such bales.

SAMPLING, ETC., AT RAILROAD DEPOTS.

SECTION 9. Cotton may be inspected, weighed and sampled for certification at railroad depots, but must be hauled to and stored

in an approved storage place for cotton before delivery thereof on contract, provided that such cotton shall be under the supervision of the Exchange Inspection Bureau during the time it is held in railroad depots, and that transfer from depots to approved storage place is made under supervision of said Inspection Bureau in order that identity of the cotton may be properly preserved.

STAPLE COTTON.

RULE 14. SECTION 1. Staple cotton may be delivered on contract and allowed a premium of not in excess of one-quarter (¼) cent per pound.

SECTION 2. No cotton, the staple of which measures less than one and one-sixteenth (1 1-16) inch in length, shall be considered as staple within the meaning of this Rule.

SECTION 3. When staple cotton is tendered for inspection, it shall be class-marked and sampled according to length of fibre, and in no case shall it be class-marked and sampled with common staple cotton.

PREMIUM FOR STAPLE.

SECTION 4. In order that value shall be allowed, at least ten (10) bales in each contract shall have been decided by the Board of Cotton Examiners to have a length of not less than one and one-sixteenth (1 1-16) inch.

SECTION 5. Upon each transfer of staple cotton, two members of the Appeal Committee on Classification (to be drawn by lot by the Superintendent) shall act as a Committee on Valuation for decision as to value to be allowed for staple, and, unless their decision is appealed from, the deliverer shall be entitled to collect whatever premium may be allowed by said Committee, whether it be on the whole or any part of the ten (10) bales that have been declared staple cotton by the Board of Cotton Examiners. In

AMENDMENT TO RULE 14 OF THE FUTURE RULES.

(Adopted by the Board of Directors April 6, 1921; posted April 7, 1921; effective April 18, 1921.)

Expunge Section 7 of Rule 14 of the Future Rules as it now stands and substitute therefor the following, viz:

Sec. 7. (a) Fees for Valuations of staple cotton, to be paid by the deliverer, shall be as follows:

On Certificated cotton where no examination of samples is necessary,

$1.00 for each arbitrator on certificates embracing from One (1) to twenty-five (25) bales;
1.50 per arbitrator on 26 to 50 bales;
2.00 per arbitrator on 51 to 75 bales;
3.00 per arbitrator on 75 to 100 bales;
and four (4) cents a bale to each arbitrator on all over 100 bales.

The foregoing scale of charges shall apply on Appeals to an Appeal Committee on Valuation, said charges to be paid by the party whose claim differs most from the final award.

(b) Fees on Valuations, and Appeals from Valuations on staple, where physical examination of samples of spot cotton is necessary, shall be:

$3.00 per arbitrator on 1 to 60 bales;
5.00 per arbitrator on 61 to 100 bales,
and five (5) cents per bale to each arbitrator on all over 100 bales.

In case the two arbitrators on valuation provided for in Section 5 of this Rule shall call in a third arbitrator, his share shall be one third of the total fees, to be paid in equal parts from the fees of the two arbitrators.

The fees for valuations to be paid by the party requesting valuation and for appeals to be paid by the party whose claim differs most from the final award.

This Exchange shall not be put to any expense under this rule.

determining values, the Valuation Committee shall be guided by the certificates of the Board of Cotton Examiners, and, when allowance is made, it shall be in accordance with the actual market value of like staple, but in no event shall more than one-quarter (¼) cent per pound be allowed on account of staple.

SECTION 6. In event of appeal from the decision of the Valuation Committee, the Superintendent shall draw three other members from the Appeal Committee on Classification, who shall act as an Appeal Committee on Valuation, whose decision shall be final.

The duty of the Committee on Valuation and the Appeal Committee on Valuation shall be to award value for staple, and not to determine whether or not cotton has staple.

Where appeals from decisions of the Committee on Valuation are made, the party appealing must notify the opposite party in writing of his demand, and state explicitly what that demand is, by 11 o'clock a. m. of the day following the receipt of the award of the Committee on Valuation.

The opposite party shall, before 2 p. m. of the same day, notify the party appealing what concession, if any, he is willing to make. The proposition so made, signed by both parties, shall, unless such concessions be accepted, be sent in a sealed envelope to the Superintendent of the Exchange.

The decision of the Appeal Committee on Valuation shall be made as soon as practicable, in writing, and filed with the Superintendent of the Exchange, who shall serve a copy thereof upon each party interested.

SECTION 7. Fees for valuation of staple cotton shall be five (5) cents per bale for each arbitrator, to be paid by the deliverer, whether value is allowed or not, but, in event of appeal, the appeal fees, which shall be five (5) cents per bale for each member of the Appeal Committee on Valuation, shall be paid by the party whose appeal differs most from the final award, provided that the Exchange shall be put to no expense therefor.

SECTION 8. If any member drawn to serve on either the Committee on Valuation or Appeal Committee on Valuation is disqualified or unable to attend, the Superintendent shall draw another in his stead.

SPOT QUOTATIONS.

RULE 15. SECTION 1. The Spot Quotation Committee shall be required to quote all grades of spot cotton for which standards are promulgated by the Secretary of Agriculture under the United States Cotton Futures Act, and such grades, above and below the Official Cotton Standard of the United States as are sold in the market, and such quotations, shall be expressed in terms of cents and hundredths of a cent. A fraction of a hundredth, when equal to or greater than a half, shall be treated as a hundredth, and when less than a half of a hundredth shall be disregarded.

SECTION 2. Settlements of grade differences to liquidate a future contract shall be made on the actual grade differences of the United States Official Cotton Standards, as promulgated in accordance with the requirements of Section 6 of the United States Cotton Futures Act (which differences shall be separately noted on the Exchange boards) as existing on the sixth business day prior to the day on which delivery is due.

SECTION 3. Unless prohibited by law or by ruling of the Secretary of Agriculture, the value of cotton "within," midway between, the grades promulgated by the Secretary of Agriculture shall be considered the mean of the adjacent grades.

SECTION 4. Cotton containing sand or dust not rejectable under the contract shall be valued at one-eighth of a cent per pound under quotations.

Premium for staple shall be determined by the Appeal Committee on Classification.

No. 10.

AMENDMENT TO RULE 19 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors November 22nd, 1920; posted November 22nd, 1920; effective November 22nd, 1920).

Add the following as Section 5 of Rule 15 of the Future Rules (Edition of 1920) page 88:

SEC. 5. Cotton originating in Pink Bollworm territory and therefore precluded from shipment into designated areas by the quarantine regulations of the United States Government, shall, when delivered on contracts for future delivery, be valued at one (1) cent a pound under quotations.

No. 14.

Amendment to Rule 15 of the Future Rules of the New Orleans Cotton Exchange.

(Adopted by the Board of Directors February 2nd, 1921; posted February 2nd, 1921; effective February 12th, 1921.)

Add at end of Section 5 of Rule 15 of the Future Rules the words:

"It shall be incumbent on the deliverer to notify the receiver when the cotton delivered includes cotton originating in the Pink Boll Worm territory, and to make due notation with allowance of One (1) cent per pound, as above required, on invoice."

The Section as amended will then read:

SEC. 5. Cotton originating in the Pink Boll Worm territory and therefore precluded from shipment into designated areas by the quarantine regulations of the United States Government, shall, when delivered on contracts for future delivery, be valued at one (1) cent a pound under quotations. It shall be incumbent on the deliverer to notify the receiver when the cotton delivered includes cotton originating in the Pink Boll Worm territory, and to make due notation with allowance of one (1) cent per pound, as above required, on invoice.

INSPECTION AND CLASSIFICATION: HOW PROCURED, LIMIT OF TIME FOR APPEAL.

RULE 16. SECTION 1. Any member of the Exchange desiring the inspection of cotton shall notify the Inspector-in-Chief in writing, stating the number of bales, marks, and places where such inspection is desired, which places must be at approved storage places for cotton, and at the same time furnish the Inspector-in-Chief with a list of such marks and class-marks as he may desire to have placed upon the bales.

Such notice must be lodged in the office of the Inspector-in-Chief not later than 3 o'clock p. m. on the day preceding the day for which the inspection is demanded.

If for any cause whatever, except inclement weather, the cotton to be inspected is not ready for inspection, the owner of the cotton may be liable to the Inspection Bureau for the loss, if any, caused by reason of the delay. The Inspector-in-Chief shall report such cases to the Committee on Supervision and Deliveries, which shall determine the amount of money to be due, and require its payment.

In the absence of any direction as to marking, the Inspector-in-Chief shall order the inspection to proceed as though the marks already upon the bales were those designated to be placed there, supplementing the same with tags for identification.

SECTION 2. FORM OF REQUEST FOR THE INSPECTION AND WEIGHING OF COTTON:

NEW ORLEANS,.....19....

To.....

Inspector-in-Chief,

New Orleans Cotton Exchange:

We respectfully request that you detail an Assistant Inspector, Sampler and a licensed Weigher to be present at the..... .....who, together, shall weigh, sample and inspect the following lots of cotton, the samples of which to

be submitted to the Board of Cotton Examiners in accordance with Regulation 4 of the Regulations of the Secretary of Agriculture.

Respectfully,

.....

SECTION 3. After receiving such notification, it shall be the duty of the Inspector-in-Chief, as soon as possible, to detail an Assistant Inspector, a Sampler and a Weigher to carefully inspect, sample and weigh the cotton, placing upon the bales such re-marks as his instructions cover, and a lot number, which lot number shall be the same on each bale comprising the lot or class mark. Each bale shall be securely tagged for identification and a duplicate and triplicate of the tag shall be placed in the samples of the bale sent to the Board of Cotton Examiners. Said tags to contain the lot number and such other marks as may be determined. The samples shall be kept in separate papers for each class mark in the lot. The cotton shall be carefully examined to see that the bales are merchantable. The sampling shall be done by Samplers of the Exchange, and the weighing by a Weigher of the Exchange. The sampling must be under the supervision and direction of the Assistant Inspector in charge, but no Sampler or Weigher shall be employed who is in the service of any person interested in the cotton to be inspected.

SECTION 4. Where cotton is tendered for inspection that, in the opinion of the Inspector, contains moisture to such an extent as to make it possible that damage might result from its being stored, the Inspector-in-Chief shall require a personal guarantee in writing from the party or parties having it inspected, to the effect that such party or parties assume all liability for claims arising from such damage, or he, the Inspector-in-Chief, may, at his discretion, reject such cotton until it is in proper condition.

SECTION 5. After the samples shall have been drawn they shall be sealed at the press and immediately sent to the Inspector-in-

Chief, and, as soon as practicable thereafter, they shall be delivered to the Board of Cotton Examiners for Classification under Regulation 6 of the Regulations of the Secretary of Agriculture issued May 22nd, 1919 (see Appendix).

In addition to the samples to be delivered to the Board of Cotton Examiners, separate samples, if desired, may be furnished to the owner of the cotton under Regulation 5, Section 10.

Appeals from the decisions of the Board of Cotton Examiners are provided for under Regulation 10 of the Regulations of the Secretary of Agriculture issued May 22nd, 1919 (see Appendix).

Disposition of samples is provided for as per Regulation 5 (see Appendix).

CLASSIFICATION: HOW MADE—UNTENDERABLE COTTON.

Rule 17. For the purposes of Section 5 of the United States Cotton Futures Act, as amended, the classification of cotton tendered on future contracts can only be determined by the Cotton Examiners designated by the Chief of the Bureau of Markets of the Department of Agriculture.

The order of classification, exposure of samples, application of grade to samples, descriptions of irregular cotton, shall be as set forth in Regulation 6 of the Secretary of Agriculture, issued May 22nd, 1919 (see Appendix).

SAMPLES RETAINED BY INSPECTOR-IN-CHIEF; OWNERSHIP OF DUPLICATES.

Rule 18. The two sets of samples for the purposes of inspection and grading shall be the property of the party holding the stamped warehouse receipt and the Board of Cotton Examiners' certificate of grade, one set of which shall be retained by the said Board.

The set of samples not retained by the Board of Cotton Ex-

aminers shall be delivered to the order of the party holding the warehouse receipt, and said party shall be responsible for such samples one week after the issuance of the certificate of grade and thereafter.

Upon the delivery of any contract, the samples thereof shall be delivered to the receiver within not more than two (2) business days from the date of the contract delivery, and the samples of any one contract shall be delivered from one place or office to the receiver of the contract, and for failure to deliver the samples of any contract within the time or within the manner prescribed in this Rule the party delivering the contract shall pay the receiver thereof the sum of ten dollars per contract, but the payment of this penalty shall not relieve the party delivering the contract of any responsibility for the samples.

WAREHOUSE RECEIPTS, WHEN AND HOW ISSUED—TO BE STAMPED BY INSPECTOR-IN-CHIEF.

Rule 19. Section 1. After cotton has been sampled and weighed, negotiable warehouse receipts stating the marks of bales, lot numbers and entries on identification tags, shall be immediately issued to owners of cotton, a separate receipt for each lot; no receipt to be for more than about one hundred bales, or fifty thousand pounds; such receipts shall be lettered or numbered by each warehouse consecutively, and no two receipts shall bear the same letter or number.

Section 2. Upon presentation by the owner of such warehouse receipts to the Inspector-in-Chief at his office, it shall be the duty of the Inspector-in-Chief to stamp thereon the weight of the cotton in accordance with the records of his office.

CERTIFICATES OF GRADE, HOW AND WHEN ISSUED.

Rule 20. Section 1. Issuance of certificates of grade and conditions, and procedures relative thereto, shall be as set forth in

AMENDMENT TO RULE 19 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE—1920 EDITION.

(Adopted by the Board of Directors April 7, 1920. Posted April 8, 1920; effective April 19, 1920.)

Amend Rule 19 of the Future Rules (Edition of 1920) by insertion of the following at the end of Section 1:

Presses and warehouses must assume all responsibility for loss or damage to cotton for which a clean receipt has been issued.

No. 13.

Amendment to Rule 19 of the Future Rules of the New Orleans Cotton Exchange.

(Adopted by the Board of Directors February 2nd, 1921; posted February 2nd, 1921; effective February 12th, 1921.)

Amend Rule 19, Section 1, page 92 of the Future Rules, as amended April 7, 1920, by addition of the following thereto, viz:

"Except for concealed damage or damage caused by an Act of Providence."

The Section as amended will then read as follows:

RULE 19 OF THE FUTURE RULES.

"SEC. 1. After cotton has been sampled and weighed, negotiable warehouse receipts stating the marks of bales, lot numbers and entries on identification tags, shall be immediately issued to owners of cotton, a separate receipt for each lot; no receipt to be for more than about one hundred bales, or fifty thousand pounds; such receipt shall be lettered or numbered by each warehouse consecutively, and no two receipts shall bear the same letter or number.

Presses and warehouses must assume all responsibility for loss or damage to cotton for which a clean receipt has been issued, except for concealed damage or damage caused by an Act of Providence."

Regulation 7 of the Regulations of the Secretary of Agriculture, issued May 22nd, 1919 (see Appendix).

SECTION 2. Any certificate issued under a Section 5 Contract shall be invalid if the cotton represented thereby be in any way handled, whether for sampling, examination or otherwise, except when done under the direction and supervision of the Inspection Bureau of the Exchange (see Regulation 7, Section 9, of Regulations of the Secretary of Agriculture), and the charge for such supervision shall be three (3) cents per bale.

SECTION 3. The form of request for supervision of cotton withdrawn from certificates shall in all cases be as follows:

NEW ORLEANS,.....19....

To the Inspector-in-Chief,

New Orleans Cotton Exchange:

We respectfully request that you detail a representative of your Department to be present at.....to supervise the delivery of.....bales, which it is desired to withdraw from Certificates.....

WHAT CONSTITUTES A GOOD DELIVERY.

RULE 21. SECTION 1. Negotiable press or warehouse receipts, signed by the warehouseman, indorsed by the party in whose favor they are drawn (which indorsement must be witnessed) and accompanied by a certificate of grade issued by the Board of Cotton Examiners of the United States Department of Agriculture, or by the seller's own written notice of grade, validated by the Chairman of the Board of Cotton Examiners as per Regulation 8, Section 4, of the Regulations of the Secretary of Agriculture (see Appendix), shall be a good delivery in fulfillment of contract for future delivery, and shall be deemed a liquidation of the contract on which such delivery is made, and the member receiving the same shall return to the member making the delivery his transferable notice. No

warehouse receipt shall be tendered which does not bear the stamp of the Inspection Bureau and the weight of the cotton. The delivery of the cotton shall be considered complete when warehouse receipts and certificates of grade, as above provided, shall have been delivered to the receiver; but this provision shall not relieve either party from liability in the final adjustment of accounts resulting from issuance of class certificates in lieu of seller's notices, or from Reviews of Classification (see Regulation 10, Appendix).

SECTION 2. If delivery of press or warehouse receipts in fiulfillment of a contract for future delivery has been accompanied by the seller's validated written notice of grade only, the certificates of grade, as determined by the Board of Cotton Examiners, shall be delivered to the receiver of the cotton before the close of business on the date of their issuance, if delivered to the tenderer before 11 a. m. of that day. If the certificates of grade are delivered to him after 11 o'clock a. m. on that day, the tenderer shall, in turn, deliver them to the receiver before 11 o'clock a. m. of the following business day (see Appendix, Regulation 8, Section 5). There shall be no replacement of bales shown by such certificates to be untenderable (see Appendix, Regulation 8, Section 5). Final settlement shall be made within twenty-four hours after the expiration of the time allowed for delivery of certificates of grade as above provided, except in event of application for review. Failure to comply with these provisions shall make the deliverer liable to the receiver for a penalty of five dollars per diem on every contract, payable to the other party at interest. Notice of application for review, specifying the demands made, must be given to the other party at interest at the time of making such application.

In event of a review (appeal) of any lot of cotton, certificate thereof shall be delivered within forty-eight hours of its receipt, Sundays and legal holidays excepted, and final settlement shall be made within twenty-four hours after the time allowed for delivery of the certificate as above. The penalty for failure to comply with

No. 9.

Amendment to Rule 21 of the Future Rules of the New Orleans Cotton Exchange.

(Adopted by the Board of Directors September 3rd, 1920; Posted September 7th, 1920; Effective September 17th, 1920.)

Expunge Section 3 of Rule 21 of the Future Rules, page 95 of the 1920 edition, and substitute therefor the following:

SEC. 3. All deliveries or tranfers of cotton must be free of all press or warehouse charges thereon to date of delivery or transfer, and deliverer's invoice shall make deduction for storage accrued up to date of delivery.

this provision shall be five dollars per diem on every contract, payable to the other party at interest. (For reviews, see Appendix, Regulation 10.)

SECTION 3. All deliveries or transfers of cotton must be free of all press or warehouse charges thereon to date of delivery or transfer.

SECTION 4. The grade stated in the Board of Cotton Examiners' certificate of grade shall be binding on all parties, and the weight as noted by the Inspection Bureau on the press or warehouse receipt shall be binding on all parties, subject, however, to an allowance of a half pound per bale per month or fraction of a month, except when cotton is delivered within fifteen (15) days after being weighed and inspected, in which case no allowance shall be made.

SECTION 5. Written notification of the holding of a transferable notice, after having been stamped and numbered by the Superintendent of the Exchange, shall be given before 4 o'clock p. m. (except on Saturdays, and on Saturdays not later than 2 p. m.) on the day previous to the day delivery is due thereon, by the holder to the member issuing the transferable notice, and shall be accepted as a legal demand for the cotton. The issuer of the notice shall, before 2 o'clock p. m. on the day of delivery, tender to the member holding said transferable notice a warehouse receipt or receipts in the manner and form hereinbefore provided, together with a validated written notice of grade or a certificate or certificates of grade, issued by the Board of Cotton Examiners, for about fifty thousand pounds of cotton, said cotton to be in not more than two storage places for cotton. A bill for the cotton, giving marks and location and name of storage place or places, shall be rendered before 11 o'clock a. m. on the day of delivery, with allowance for grade, staple and weight as hereinbefore stated. Provided, that where deliveries are made on Saturdays bills for the cotton, giving marks, location and name of storage place or places, shall be rendered be-

fore 10 o'clock a. m., and warehouse receipt or receipts shall be tendered before 11:30 a. m.

TRANSFERABLE NOTICES.

RULE 22. Where notice of delivery by the seller is required by a contract, it shall be given to the buyer five minutes before the opening of the future business, on the fifth business day prior to the date of delivery, except when delivery is to be made upon the last day of the month, in which case notice of delivery shall be given by the seller before fifteen minutes after 12 o'clock noon on the last day of the month upon which transferable notices may be issued; provided, that when the last notice day of the month occurs on a day on which the business hours do not exceed two hours, notices on that day shall be issued not later than fifteen minutes prior to the close.

The party receiving the notice may transfer the same to another party, and it may be given from one transferee to another. Every transfer must be made promptly within twenty minutes after the time of receipt, and every person receiving the notice shall indorse upon it the time of receipt; provided, that notices issued on the last notice day of the month must be transferred within ten minutes after time of receipt. Any party or parties who may fail to forward such notice within that time shall be liable to a penalty of 25/100c per pound in favor of the party with whom it may lodge at the close of the day. All transfers shall be made previous to the closing hour of the future business in the Exchange. All differences thereon to be paid as provided for in Rule 48 for payment of ring settlements. Should the office of the party to whom notice is to be given be closed, it shall be good service to give the notice to the Superintendent of the Exchange. He shall indorse thereon the day and time of its receipt, and post notice thereof on the bulletin of the Exchange.

Every notice shall be for 50,000 pounds of cotton, and, in form, as follows:

TRANSFERABLE NOTICE.

.....O'clock. NEW ORLEANS,.....19....

To. T. & Co.:

Take notice, that on.....we shall deliver you 50,000 pounds, in about one hundred square bales, of cotton, in accordance with the terms of our contract of sale to you, dated..... at.....cents per pound. We pledge *ourselves* to deliver on the day specified for delivery, to the last holder hereof, warehouse receipt or receipts, together with a written notice of grades or a certificate or certificates of grade (as provided in Rule 21 of the Future Rules), upon written notice by the last holder of this notice of the holding of same to us (not later than 4 p. m., except on Saturdays, and on Saturdays not later than 2 p. m.) on the business day previous to the one herein specified for delivery of the cotton. This notice to be delivered to us simultaneously with our delivery of the warehouse receipt or receipts to the holder hereof.

F. G. & Co.

CONDITIONS.

In consideration of one ($1) dollar paid to each of the acceptors, receipt of which is hereby acknowledged, it is agreed that the last acceptor hereof will, before 4 p. m. (except on Saturdays, and on Saturdays not later than 2 p. m.) on the.....day of....., give written notice of the holding of this notice to (F. G. & Co.), and on the.....day of..... receive from (F. G. & Co.) warehouse receipt or receipts, together with a written notice of grade, or a certificate or certificates of grade (as provided in Rule 21 of the Future Rules) for about 100 square bales of cotton, and pay them, on receipt of warehouse receipt or receipts, the full amount of.....cents per pound there-

for, settling with them on the basis of Middling, with allowances for variation in grade, as provided in Section 6 of the United States Cotton Futures Act, existing on the sixth business day previous to the day on which the delivery is due. It is further agreed that each acceptor hereof shall continue his (or their) liability to each other for the fulfillment of the contract until this notice shall have been returned to F. G. & Co., and warehouse receipt or receipts for the cotton to be delivered received by the last acceptor hereof from F. G. & Co., at which time all responsibilities of intermediate parties shall cease. T. & Co.

FORM OF TRANSFER.

.....O'clock. NEW ORLEANS,.....19....

Messers. I. S. & Co.:

We accept the above with all its conditions and obligations, and you will please take notice that in accordance therewith we shall deliver you 50,000 pounds in about one hundred square bales cotton on account of OUR contract sale to you, dated.....the cotton to be paid for at the price of transferable notice.

T. & Co.

Such notice, if tendered by the drawer five minutes before the opening of the future business on the fifth business day before the delivery of cotton is due, shall be accepted by any member of the Exchange to whom cotton is due under any contract, and the price shall be made equal to the price of the contract on which it shall be tendered, provided that it is otherwise in accordance with such contract, and the cotton delivered on such notice shall be accepted as so much received in fulfillment of the contracts specified in the notice and transfer. Any party holding such notice and failing to present written notice of the same to the drawer thereof before 4 p. m. (except on Saturdays, and on Saturdays not later than 2 p. m.) of the business day before the one specified therein for

delivery of cotton shall subject himself to a penalty of one hundred and twenty-five dollars for each notice, to be paid to the drawer thereof, the contract to remain in full force.

No member of the Exchange shall make a fictitious or fraudulent use of any name or names to fill up the time in the issue or transfer of any notice for future delivery of cotton on contract; and any member who shall be found guilty by the Future Committee of such fictitious or fraudulent use of any name or names shall, in such case, pay to the party with whom the notice may be lodged at the close of the day a penalty, by way of damages, of one-quarter (¼) of one cent per pound; and in addition thereto may, upon a repetition of the offense, be suspended by the Board of Directors.

The Superintendent of the Exchange shall, at the close of each day, post on the bulletin of the Exchange the price at which transferable notice shall be issued on the following day. The price so posted shall be within ten one-hundredths of one cent per pound of the closing price for like deliveries.

WHEN TRADING IN CURRENT MONTHS SHALL CEASE.

Rule 23. All trading in current months shall cease at noon on the last business day upon which transferable notices may be issued, except on days when the business hours do not exceed two hours; on such days trading shall cease a half hour prior to the closing, and notices shall be issued prior to fifteen minutes before the closing. Transferable notices may be issued on that day at any time up to fifteen minutes after 12 o'clock noon in fulfillment of all trades. Every transfer of a notice issued under this Rule shall be made within ten minutes of the time of receipt. Every notice issued under this Rule shall be accepted in fulfillment of any contract for future delivery. Except as herein provided, all provisions of Rule 22 in regard to transferable notices shall apply to notices issued under this Rule.

RECORD OF DELIVERIES ON CONTRACT—PENALTY FOR FAILURE TO HAVE NOTICES STAMPED.

RULE 24. SECTION 1. A record shall be kept by the Superintendent of the Exchange of the demands stamped each day as required in Section 5 of Rule 21, and each transferable notice shall be considered one hundred bales. The total number of bales so delivered shall be posted daily.

SECTION 2. Failure on part of the holder of a transferable notice to have his notice of demand so stamped shall subject him to a fine of five dollars ($5.00) for each contract of a hundred bales not stamped. It shall be the duty of deliverer to report to the Superintendent of the Exchange such notices of demand received by him not stamped, and failure to make such report shall subject the deliverer also to a fine of five dollars ($5.00) for each contract of one hundred bales not reported.

SETTLEMENT OF CONTRACTS.

RULE 25. SECTION 1. In case of failure to deliver any portion of the cotton named in the contract when due, no obstacle having been made by the buyer, the basis of settlement of cotton due on such contract for default in delivery shall be 25/100c per pound above the quotations for spot cotton of the day of delivery. And if failure to receive any portion of the cotton so named in contract shall prove to be the fault of the buyer, the settlement shall be made at the quotations for spot cotton of the day following, with the addition of 25/100c per pound in favor of seller. Provided, however, that no seller shall be entitled to receive penalty unless he has given the stipulated notice of intention to deliver; and no buyer (who has not received notice), unless demand is made by him six days before expiration of the contract. Provided, also, that no defaulting party can claim settlement under this Rule, except upon evidence that the default was unintentional and not premeditated. Nothing, however, in this Rule shall be construed

No. 11.

AMENDMENT TO RULE 24 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors January 5th, 1921; Posted January 8th, 1921; Effective January 18th, 1921.)

Add the following as Section 3 of Rule 24 of the Future Rules (page 100, Edition of 1920) viz:

"SEC. 3—In order that this Exchange may comply with Section 11 of Regulation 7 of the Government Regulations under the United States Cotton Futures Act, members removing Certificated Cotton from Warehouse shall make report thereof to the Chief of the Inspection Bureau within three (3) days after such removal. Members failing to make such report shall pay to the Inspection Bureau Ten Dollars for each hundred bales or part thereof not so reported."

No. 12.

AMENDMENT TO RULE 24 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors May 4th, 1921; Posted May 4th, 1921; effective May 14th, 1921.)

Strike out Section 3 as adopted January 5th, 1921, and substitute therefor the following:

Sec. 3. In order that this Exchange may comply with Section 11 of Regulation 7 of the Government Regulations under the United States Cotton Futures Act, members removing Certificated Cotton from Warehouse or otherwise invalidating certificates, shall make report thereof to the Chief of the Inspection Bureau within three (3) days after such removal or invalidation. Members failing to make such report shall pay to the Inspection Bureau Ten Dollars for each hundred bales or part thereof not so reported.

to prevent a settlement by mutual agreement. No claim under this Rule shall be allowed unless the variation is in excess of five hundred (500) pounds.

In event of tender by the deliverer of his own notice of grade validated by the Chairman of the Board of Cotton Examiners, followed by certificate of grade as determined by said Board of Examiners, there can be no replacement of bales shown by such certificate to be untenderable. (See Appendix, Regulation 8, Section 5.) Settlement for such untenderable bales shall be 25/100c per pound above the quotations for Spot Cotton on the day on which final certificate of class is delivered to the receiver.

If the determination of a review (appeal) granted a receiver of cotton tendered on contract shows cotton previously classed as tenderable to be actually untenderable, the tenderer shall replace the cotton so found to be untenderable. Such replacement shall be made not later than the expiration of the fifth business day following the date of the issuance of the Review Certificate, by delivering to the receiver other cotton shown to be tenderable by cotton class certificates of the Board of Cotton Examiners, which certificates he shall deliver to the receiver. (See Appendix, Regulation 10, Section 11.)

Failure to make delivery of, or to receive and pay for press or warehouse receipts and notices or certificates of grade in the manner and within the time specified in these Rules, shall be regarded as a default on the contract, and settlement of such, with penalty attached, shall be made as above provided.

Section 2. Any member who may find that he holds for account of various constituents, contracts, both of sale and purchase, in same month which offset each other, shall be authorized to offset and settle such contracts and to substitute therefor other names than those to or from whom he originally sold or purchased; provided, that in such cases he shall be deemed guarantor to his principals for the strict fulfillment of such contracts, and shall be

liable to them for all damage or loss they may sustain by reason of such substitution.

PAYMENT FOR COTTON DELIVERED ON CONTRACTS

RULE 26. The member receiving a warehouse receipt and notice or certificate of grade shall at once pay to the member presenting the same, by a certified check, the amount due for the cotton at the price of the transferable notice, with additions or deductions for grade as determined under provisions of Section 6 of the United States Cotton Futures Act. Bill to be rendered as provided in Rule 21. Provided, however, that in event a deliverer tenders cotton upon his own validated notice of grade, the receiver shall pay only ninety (90) per cent of the price of the cotton to the deliverer, and deposit the remaining ten per cent through the Exchange in trust to be paid over to the parties as their interests may appear, as provided in Rule 21.

Deposits through the Exchange under this Rule are at the risk of the party to whom the money may be due, and in case of failure of any bank or trust company in which such money has been deposited it shall be at the loss of the party or parties to whom it may be found due.

CERTIFICATED COTTON DAMAGED BY FIRE.

RULE 27. Any certificated cotton damaged by fire, smoke or water, shall not be considered a good delivery on contract except as hereinafter provided.

In case of fire occurring in a licensed or approved place for the storage of cotton, in which is stored any certificated cotton, the Inspector-in-Chief shall forward to the Chairman of the Board of Cotton Examiners and to the Superintendent of the Exchange lists of the lot numbers and bales of all lots of cotton contained in such storage places as have been at all damaged by fire, smoke or water.

No. 15.

No. 13.

AMENDMENT TO RULE 28 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors May 4th, 1921; Posted May 4th, 1921; effective May 14th, 1921.)

Expunge Section 1 of Rule 28 as it now reads and substitute therefor the following:

CHARGES FOR CERTIFIATE OF GRADE AND FOR APPEALS—FEES ON REJECTIONS—DISPOSITION OF INSPECTION FUND.

Rule 28. Section 1. The charge to be paid to the Exchange for inspecting, weighing, sampleing, examining and delivery of samples to the Board of Cotton Examiners shall be seventy (70) cents per bale one-half of which shall be paid by the receiver of the cotton to the party making delivery. The cost of classification and certification to be paid to the Government are as set forth in Regulation 12 of the Regulations of the Secretary of Agriculture, issued May 22nd, 1919, for which see Appendix, one-half of which shall be paid by the receiver to the deliverer.

In the event that the charges for certification by the Exchange or the Government are in any way changed, the receiver shall pay to the deliverer one-half of all certificating charges in effect on the day on which the notice of delivery is issued.

The bills for charges made by the Exchange shall be rendered by the Inspector-in-Chief to the party by whom the inspection is ordered, and the Inspector-in-Chief shall furnish a memorandum of such bills to both the Superintendent and Treasurer of the Exchange.

No. 15.

No. 19.

AMENDMENT TO RULE 28 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors November 5th, 1921; Posted November 5th, 1921; Effective November 15th, 1921.)

Amend Section 1 of Rule 28, Page 103 of the Future Rules (1920 Edition by changing the words and figures "fifty-eight (58)" in the first subdivision to read "fifty-one (51)."

The Section as amended will then read as follows:

CHARGES FOR CERTIFICATE OF GRADE AND FOR APPEALS—FEES ON REJECTIONS.

Disposition of Inspection Fund.

RULE 28, SECTION 1—The charge to be paid to the Exchange for inspecting weighing, sampling, examining and delivery of samples to the Board of Cotton Examiners shall be fifty one (51) cents per bale, one half of which shall be paid by the receiver of the cotton to the party making delivery. The cost of classification and certification to be paid to the Government are as set forth in Regulation 12 of the Regulations of the Secretary of Agriculture, issued May 22nd, 1919, for which see Appendix, one half of which shall be paid by the receiver to the deliverer.

In the event that the charges for certification by the Exchange or the Government are in any way changed, the receiver shall pay to the deliverer one half of all certificating charges in effect on the day on which the notice of delivery is issued.

The bills for charges made by the Exchange shall be rendered by the Inspector in Chief to the party by whom the inspection is ordered, and the Inspector in Chief shall furnish a memorandum of such bills to both the Superintendent and Treasurer of the Exchange.

No. 15.

AMENDMENT TO RULE 28 OF THE FUTURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors June 28th, 1921; Posted June 29th, 1921; Effective from and after August 1st, 1921).

Amend Section 1 of Rule 28 of the Future Rules (page 103, Edition of 1920) as amended May 4th, 1921, by changing the word and figures "seventy (70)" to read "fifty-eight (58)."

The Section as amended will read as follows:

CHARGES FOR CERTIFICATE OF GRADE AND FOR APPEALS—FEES ON REJECTION—DISPOSITION OF INSPECTION FUND.

Rule 28. Section 1. The charge to be paid to the Exchange for inspecting, weighing, sampling, examining and delivery of samples to the Board of Cotton Examiners shall be fifty-eight (58) cents per bale, one-half of which shall be paid by the receiver of the cotton to the party making delivery. The cost of classification and certification to be paid to the Government are as set forth in Regulation 12 of the Regulations of the Secretary of Agriculture, issued May 22nd, 1919, for which see Appendix, one-half of which shall be paid by the receiver to the deliverer.

In the event that the charges for certification by the Exchange or the Government are in any way changed, the receiver shall pay to the deliverer one-half of all certificating charges in effect on the day on which the notice of delivery is issued.

The bills for charges made by the Exchange shall be rendered by the Inspector-in-Chief to the party by whom the inspection is ordered, and the Inspector-in-Chief shall furnish a memorandum of such bills to both the Superintendent and Treasurer of the Exchange.

This list shall be at once posted on the bulletin of the Exchange, and no lots of cotton on said list shall thereafter be considered a good delivery on contract, except as hereinafter provided.

Any cotton which has been actually on fire shall be deemed unmerchantable and shall in no case be considered a good delivery on contract.

In the case of any cotton which is supposed to have been only slightly damaged by smoke or water, or which is contained in storage places so damaged, the Inspector-in-Chief shall, at the request of the owner of any such lot or lots of cotton, have the cotton examined, and, if necessary, put in proper order by picking or otherwise, so that the cotton shall be in every way in a sound and merchantable condition, and after such examination, provided same is approved by the Board of Cotton Examiners, such cotton shall be a good delivery upon contract under the certificate of grade previously issued therefor, which shall continue in full force and effect.

The expense of such examination shall in each case be determined by the Inspector-in-Chief and shall be paid by the owner of the cotton.

The numbers of such lots of cotton as may be so examined and approved as aforesaid shall be posted on the bulletin of the Exchange.

CHARGES FOR CERTIFICATE OF GRADE AND FOR APPEALS—FEES ON REJECTIONS—DISPOSITION OF INSPECTION FUND.

Rule 28. Section 1. The charge to be paid to the Exchange for inspecting, sampling, examining and delivery of samples to the Board of Cotton Examiners shall be seventy (70) cents per bale one-half of which shall be paid by the receiver of the cotton to the party making delivery. The costs of classification and certification to be paid to the Government are as set forth in Regulation 12 of

the Regulations of the Secretary of Agriculture, issued May 22nd, 1919, for which see Appendix.

The bills for charges made by the Exchange shall be rendered by the Inspector-in-Chief to the party by whom the inspection is ordered, and the Inspector-in-Chief shall furnish a memorandum of such bills to both the Superintendent and Treasurer of the Exchange.

SECTION 2. All bills for inspecting, sampling, examining, delivering samples to the Board of Cotton Examiners and weighing cotton shall be rendered weekly and shall become due and payable at once, and if any party shall fail to pay the same, or an approximate amount, within one week from the date on which the bills were rendered, he shall be deemed in default, and shall be notified by the Inspector-in-Chief that he is deprived of all rights and privileges under the Inspection Rules until such bills are paid.

SECTION 3. The Superintendent of the Exchange shall collect said charges, returning the same to the Treasurer of the Exchange, who shall keep the same separate from the other funds of the Exchange, and the same shall be known as the Cotton Exchange Inspection Fund; provided, however, that whenever the said fund shall exceed the sum of ten thousand dollars, then the Board of Directors may, in its discretion, apply such excess or any part thereof to such purposes of the Exchange as it shall deem necessary and proper, and shall restore such excess, or any part thereof, to said fund at any and such times as it becomes necessary.

SECTION 4. From this fund shall be paid, as a first charge, the salaries of the Inspector-in-Chief, the Assistant Inspectors, the members and Clerk of the Board of Classers, and the Samplers and Weighers, and such necessary expenditures as may be required by the Inspector-in-Chief in the management of his office.

STORAGE AND TRANSFER OF CERTIFICATED COTTON.

RULE 29. SECTION 1. Certificated cotton shall be stored only in approved places for the storage of cotton, as provided in these Rules, and in accordance with Regulations 7 and 11 of Regulations of the Secretary of Agriculture, issued May 22nd, 1919. (See Appendix.)

Each Pressman or Warehouseman shall notify the Inspector-in-Chief of the Exchange of the removal of the cotton from the press or warehouse, with the names of the parties receiving the same.

SECTION 2. Certificated cotton may be transferred from one storage place to another under the direction of the Inspector-in-Chief, in accordance with Regulation 11 of the Regulations of the Secretary of Agriculture.

RESPONSIBILITY FOR FALSE-PACKED.

RULE 30. The Cotton Exchange Inspection Fund shall be responsible to the last receiver or shipper for any false-packed cotton (represented by any press or warehouse receipt which is accompanied by an Inspector's certificate) in the manner prescribed in the Spot Rules.

The party for whom the cotton was inspected shall be responsible to the Cotton Exchange Inspection Fund, as provided in the Spot Rules.

CLAIMS ON INSPECTION FUND—HOW MADE.

RULE 31. No recourse shall be had upon the party by whom the inspection was first ordered (except for false or fraudulent packed cotton), nor upon any party who shall at any time have held warehouse receipt and certificate, but the Cotton Exchange Inspection Fund shall be liable and responsible for the correctness of inspections and examinations made under supervision of the

Inspector-in-Chief, and the measure of such liability shall be determined by decision of the Committee on Supervision and Deliveries. No claim against said fund shall be entertained unless it shall be preferred while the cotton is within the jurisdiction of the Cotton Exchange.

CLAIMS ON INSPECTION FUND—ORDER OF PAYMENT, ETC.

RULE 32. SECTION 1. Claims upon the Cotton Exchange Inspection Fund, when allowed, shall be paid by the Treasurer out of the fund in the order in which they are presented.

SECTION 2. If at any time the said fund shall not be sufficiently large to pay all the claims upon it, as well as the salaries and expenses provided for in Rule 28, the said claims shall be received and filed, and shall be paid in the order of their receipt as soon as money available for that purpose shall have been paid into said fund.

SECTION 3. In no case or event shall the New Orleans Cotton Exchange assume or be made liable for any charge, expense or claim whatsoever against the Cotton Exchange Inspection Fund.

INSPECTION BUREAU MAY BE USED BY THE TRADE IN SPOTS AND "TO ARRIVE."

RULE 33. Members wishing to deliver cotton sold "to arrive," or spot sales from samples shown, from depots, landings or elsewhere within the limits of the Port of New Orleans, and desiring the co-operation of the Inspection Bureau to make such deliveries, may do so upon the following conditions: That the owner shall furnish the Inspector-in-Chief of the Cotton Exchange a statement of the cotton to be delivered, and the time and place selected for delivery, before 4 o'clock p. m. of the day previous to delivery, if such delivery is to commence before 12 o'clock noon of the next

day; and before 10 o'clock a. m. of the day of delivery if delivery is to take place after 12 o'clock noon of that day, in order that the Inspector-in-Chief may detail an Assistant Inspector to take charge of such delivery, to whom licensed parties shall report before commencing delivery, and who shall weigh (if desired), label and mark samples, and weigh and deliver to proper owners all loose cotton and pickings. The owner shall also, as a further condition, pay to the Inspection Fund fifteen cents per bale and the cost of weighing for each and every bale so delivered, which sum shall be collected by the Superintendent of the Exchange in the same manner as is provided for the collection of charges for inspecting cotton.

In event of demand for arbitration by the Board of Classers on cotton other than deliveries on future contracts, all samples and communications must be sent direct to the Secretary of the Exchange, and the package of samples must be numbered by the Inspector-in-Chief before being sent to the Board of Classers. Names of parties arbitrating are not to be divulged.

Fees for inspecting, sampling, examining, classing and comparing samples, or for either, shall be paid to the Exchange by the party ordering the same, irrespective of the interest of opposite parties therein; but this shall not void any claim that the party so ordering may have against such opposite parties for such fees, provided that where both parties to a transaction join in requesting an arbitration which may require inspecting, sampling, examining, classing or comparing samples, the bill for fees shall be rendered to the party whose claim differs most from the final award.

Requests for arbitrations must be made in writing, signed by both parties thereto, specifying their respective claims.

WHAT CONSTITUTES A STORAGE PLACE FOR COTTON.

Rule 34. For purposes of delivery of cotton upon contract by warehouse or press receipts, one warehouse or press shall be understood to mean a single warehouse; or, a number of contiguous

warehouses comprising one system of warehouses under one name or management; or, warehouses or systems of warehouses that are in juxtaposition to each other, though bearing different names, when such warehouses are adjoining and contiguous to each other and are all managed or operated by one firm of Warehouseman.

PENALTY FOR INTERFERENCE WITH INSPECTION AND WEIGHING.

RULE 35. No principal, either by himself or through any sampler, clerk or any other agent, shall be allowed to interfere by word or deed, directly or indirectly, with the inspection or weighing of cotton. In case of such interference, the inspection or weighing of the cotton shall be at once stopped, and the party ordering the inspection or weighing shall pay the necessary expenses incurred by the Inspector or Weigher by reason of his order.

LOST SAMPLES.

RULE 36. When samples of inspected cotton have become lost or destroyed, it shall be the privilege of the owner of the cotton to have the same resampled at his own expense, under the direction of the Inspector-in-Chief, having first delivered to the Inspector-in-Chief the press or warehouse receipt, upon which shall be stamped the weight of such redrawn samples, which shall be deducted from the weight of the cotton.

TYPE STANDARDS.

RULE 37. The present Type Standards, which are the Official Cotton Standards of the United States, as established and promulgated by the Secretary of Agriculture, pursuant to Section 9 of the United States Cotton Futures Act, shall govern all transactions for delivery under these Rules. Should, however, the Secretary of Agriculture at any time change or replace the present

standards, under authority conferred upon him by the Congress of the United States, then the new standards, when they become effective, shall be the basis of settlement of all contracts then existing, whether or not the value of such contracts is thereby affected.

HOLIDAYS—HOW BROUGHT ABOUT; THEIR EFFECT ON NOTICES AND DELIVERIES.

RULE 38. SECTION 1. All contracts falling due on legal holidays, or such holidays as are prescribed by the By-Laws or ordered by the Exchange, shall be completed on the preceding business day, and transferable notices shall be given on the fifth business day previous to the day preceding such holiday.

SECTION 2. When the fifth business day previous to the date of delivery falls on a holiday, the next preceding business day must be substituted for the issue of transferable notices.

SECTION 3. No day, except a legal holiday, can be declared a holiday, and the transaction of business in futures be suspended, unless five business days' official notice shall have been given; provided, that the Board of Directors may, by two-thirds majority of its members present and voting, have the power, in their discretion, without previous notice, to close the Exchange on such days or portions of days as will, in their judgment, serve to promote the best interest of the Exchange.

TRANSACTION OF BUSINESS.

HOURS OF BUSINESS.

RULE 39. SECTION 1. The hours for the opening of transactions in futures (except those relating to the transfer of notices and the delivery of cotton sold upon contract) shall be 9 a. m., and the closing thereof shall be 2 p. m., except on Saturday, on which day the hour for closing shall be 11 a. m. throughout the year.

The Superintendent or an Assistant shall sound the gong adjacent to the ring side at the hour designated by Rule for the opening of trading. He shall also sound the gong by one tap one minute before the closing and by two taps or more in rapid succession at the closing—the minute interval between taps shall be considered as the period for filling orders for execution on the close.

SECTION 2. Trading, or offering to trade, in contracts for the future delivery of cotton by members of the Exchange, except on business days, and within the hours for the transaction of business in futures as prescribed by these Rules, is positively prohibited and forbidden; and any member violating this provision shall, upon complaint being made to the Board of Directors, be fined one hundred (100) dollars, and for the second offense be suspended or expelled, at the discretion of the Board of Directors.

SECTION 3. Contracts for the future delivery of cotton, made or agreed to be made in other than the duly prescribed hours, shall not be noticed in any public report or printed circular issued by the Exchange, or in any manner recognized, acknowledged or enforced by the Exchange or any officer thereof.

SECTION 4. Dealings, or offering to deal, in "puts" and "calls" on the floor of this Exchange is strictly forbidden, and any member violating this Rule, for the first offense, shall be censured; for the second offense, suspended; and for the third, expelled. The Floor Committee and the various officers of the Exchange are charged with reporting any violation of this Rule.

PRIORITY OF BIDS—LIMIT OF DECIMALS.

RULE 40. All offers to buy or sell cotton for future delivery, on the floor of the Exchange, must be open to the member first accepting such offer for the whole or any part of such offer, but an acceptance of the whole quantity shall take precedence over any acceptance of any part. Any dispute arising from such offer, ex-

cept on call, must be settled by the member making the offer submitting the question to the members present; the decision of the majority shall govern.

All offers to buy or sell cotton for future delivery shall be in cents and decimal fractions of a cent; and no transactions in contracts shall be permitted wherein the difference in price shall consist of a smaller fraction than one one-hundredth (1/100) of one cent per pound for each pound of cotton represented by such contract or contracts, nor shall any additional moneyed consideration whatever be allowed.

All transactions in contracts at split prices are hereby expressly prohibited. For any violation of this prohibition, or of any part of this Rule, the Floor Committee may punish the offending person or persons by imposing a fine of not less than twenty-five dollars nor more than fifty dollars, at their discretion.

REPORTING SALES.

RULE 41. SECTION 1. The prices at which all transactions in contracts are made for the future delivery of cotton under Rule 1 shall be reported promptly by the seller to the Collector of the Exchange, giving the exact time and terms and the names of the party making the report only.

SECTION 2. Any transaction made in any month above the price at which such month is offered, or below the price that is bid for such month, until what is offered shall be taken, or what is bid for shall be supplied, shall not be deemed the market price for such month or months, and shall not be reported in the record of transactions; nor shall any transaction that is not reported by open outcry and across the trading ring be deemed a transaction that can be reported or recorded in the record of transactions.

SECTION 3. Any member who shall be found guilty of reporting false sales shall be expelled.

DUTY OF BROKERS AND PRINCIPALS.

RULE 42. When a member of the Exchange acts as a broker for another, it shall be his duty to give his principal a memorandum of transactions for that principal's account; and it shall be equally the duty of the principal to get such a memorandum from his broker.

REGISTRY OF OFFICES FOR SERVICE OF NOTICE AND DELIVERY OF ORDERS.

RULE 43. Every member of the Exchange shall keep on file with the Superintendent of the Exchange a designation of an office within half a mile of the Exchange Building, at which all notices of any kind whatever, and all orders for cotton may be served upon him; and if any member shall fail to comply with the provisions of this Rule the delivery of any notice or order to the Superintendent of the Exchange shall be considered a good service upon and delivery to him.

TRADING BETWEEN MEMBERS OF SAME FIRM.

RULE 44. No two (2) members of the same firm, nor any principal and his power of attorney, shall trade openly at the same time on the same month.

SIGNING OF CONTRACTS OR SLIPS.

RULE 45. It shall be the duty of the seller, on the day on which transactions in contracts take place, or at not later than 9 a. m. on the following day, to furnish a contract or slip, and deliver his own already signed, and the opposite one in blank to the buyer; the latter shall then sign his contract, or slip, and return it to the seller.

All slips or contracts, which shall contain a statement of all

the facts prescribed in Section 4 of the United States Cotton Futures Act, must be signed by the member himself or his firm, except on the following conditions: That he or they duly execute and file with the Superintendent a special power of attorney, in such form as may be prescribed by the Board of Directors, authorizing signature of his or the firm name to slips or contracts bought or sold, said power to be valid and binding upon him, or his firm, until formally revoked, and notice of revocation publicly announced by being posted on the bulletin of the Exchange.

All slips shall be in form as follows:

NEW ORLEANS,.....

SOLD TO

.....of New Orleans, Louisiana, and agreed to deliver them subject to the By-Laws, Rules and conditions

OF THE

NEW ORLEANS COTTON EXCHANGE,

and subject to the United States Cotton Futures Act, Section 5, ...bales of cotton.....delivery at.....cents per pound for Middling.

.....

of New Orleans, Louisiana.

NEW ORLEANS,.....

BOUGHT FROM

.....of New Orleans, Louisiana, and agreed to receive from them subject to the By-Laws, Rules and conditions

OF THE

NEW ORLEANS COTTON EXCHANGE,

and subject to the United States Cotton Futures Act, Section 5, ...bales of cotton.....delivery at.....cents per pound Middling.

.....

of New Orleans, Louisiana.

CALLS.

RULE 46. There shall be three public calls for the sale and purchase of cotton contracts at the Exchange rooms on all business days, except Saturday, on which day there shall be two calls, to be conducted by the Superintendent, or, in his absence, by an employee of the Exchange to be selected by the President or Vice-President. The hours for the calls shall be such as shall be designated from time to time by the Board of Directors.

The call shall be by months, beginning with that current, and continued through the list of months so far as there is a desire to trade.

The first offer to sell or buy at a price shall be first accepted before subsequent offer at same figures may be placed. Offers to sell or buy may be withdrawn (if not accepted) at the option of the parties offering.

Subsequent offers to sell at a lower or buy at a higher shall vacate prior offers to sell at a higher or buy at lower prices. A transaction shall vacate all previous bids and offers.

All disputes as to offers, acceptances or withdrawals (whether in time or not) shall be decided upon the spot by the officer (or person presiding for the time being), subject to an appeal to the members present.

If an appeal is taken, the question shall be put promptly, and a majority of the members present and voting upon the disputed point shall settle the same finally.

COMMISSIONS.

(EFFECTIVE ON AND AFTER JULY 1, 1919.)

RULE 47. The following rates of commission are the lowest which may be charged on transactions hereinafter named:

SECTION 1. When the transaction is made for any person, not

NEW ORLEANS COTTON EXCHANGE

New Orleans, October 26, 1920.

Under resolution of the Board of Directors adopted this day, it was

ORDERED, That after October 31st, 1920, and until further notice, there shall be a return to the hours for trading, posting bids, etc., which prevailed prior to the adoption of the amendments of March 20th last, viz.:

OPENING AND CLOSING EXCHANGE ROOMS

Opening Exchange Rooms, daily	8:00 A. M.
Closing Exchange Rooms, daily, except Saturdays	5:00 P. M.
Closing Exchange Rooms on Saturdays	3:00 P. M.

HOURS FOR FUTURE BUSINESS

Daily, except Saturdays:	
Opening	9:00 A. M.
Closing	2:00 P. M.
Saturdays:	
Opening	9:00 A. M.
Closing	11:00 A. M.

CALLS

Daily, except Saturdays:	
First Call	9:00 A. M.
Second Call	12:00 M.
Third Call	1:30 P. M.
Saturdays:	
First Call	9:00 A. M.
Second Call	10:45 A. M.

POSTING BID PRICES DAILY BY SUPERINTENDENT

Daily, except Saturdays, 10:30 A. M., and 12:30 P. M.

Saturdays, 10:00 A. M.

DEPOSITING MARGINS

Daily, except Saturdays:

On calls before 12 M., same day by 1:30 P. M.

On calls after 12 o'clock M., before 12 o'clock M., of next day.

On Saturdays:

On calls before 10 A. M., before 10:45 A. M.

On calls after 10 A. M., before 12 M., of following day.

H. G. HESTER,
Secretary.

AMENDMENT TO RULE 47 OF THE TURE RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors January 22nd, 1921. Posted January 22nd, 1921. Effective on and after January 24th 1921).

Expunge Rule 47 of the Future Rules as it now reads (page 114, Edition of 1920) and substitute therefor the following viz:

COMMISSIONS.

Rule 47. The following rates of commission are the lowest which may be charged on transactions hereinafter named:

Section 1. When the transaction is made for any person, not a member of the Exchange, but residing in the United States or Canada, the rate shall be as follows:

Twelve dollars and fifty cents for each and every hundred bales bought or sold, making the round transaction (buying and selling) twenty-five dollars. This Rule being equally applicable to extension or transfer of contracts from one month to another.

Section 2. When the transaction is made for any person not a member of the Exchange, residing outside of the United States or Canada, the rate shall be as follows:

Fifteen dollars for each and every one hundred bales, bought or sold making the round transaction (buying and selling) thirty-

a member of the Exchange, but residing in the United States or Canada, the rate shall be as follows:

Ten dollars for each and every one hundred bales brought or sold, when the price is 15c per pound and below, making the round transaction (buying and selling) twenty dollars; twelve dollars and fifty cents for each and every hundred bales bought or sold, when the price is 15.01c per pound and above, making the round transaction (buying and selling) twenty-five dollars. This Rule being equally applicable to extension or transfer of contracts from one month to another.

SECTION 2. When the transaction is made for any person not a member of the Exchange, residing outside of the United States or Canada, the rate shall be as follows:

Twelve dollars and fifty cents for each and every one hundred bales bought or sold, when the price is 15c per pound and below, making the round transaction (buying and selling) twenty-five dollars; fifteen dollars for each and every one hundred bales, bought or sold, when the price is 15.01c per pound and above, making the round transaction (buying and selling) thirty dollars. This Rule being equally applicable to extension or transfer of contracts from one month to another.

SECTION 3. When the transaction is made for a member of the Exchange, residing in the United States or Canada, the rate shall be as follows:

Five dollars for each and every one hundred bales bought or sold, when the price is 15c per pound and below, making the round transaction (buying and selling) ten dollars; six dollars and twenty-five cents for each and every one hundred bales bought or sold, when the price is 15.01c per pound and above, making the round transaction (buying and selling) twelve dollars and fifty cents. This Rule being equally applicable to extension or transfer of contracts from one month to another.

SECTION 4. When the transaction is made for a member of the Exchange residing outside of the United States or Canada, the rate shall be as follows:

Six dollars and twenty-five cents for each and every one hundred bales bought or sold, when the price is 15c per pound and below, making the round transaction (buying and selling) twelve dollars and fifty cents. Seven dollars and fifty cents for each and every one hundred bales bought or sold, when the price is 15.01c per pound and above, making the round transaction (buying and selling) fifteen dollars. This Rule being equally applicable to extension or transfer of contracts from one month to another.

SECTION 5. The above-mentioned rates shall be, in each case, the minimum commission which may be charged by any member of the Exchange, and shall be absolutely net and free from all and any rebate in any way, shape or manner, nor shall any bonus or pro rata percentage of commission be given or allowed to any clerk or individual for business procured or sought for any member of the Exchange.

SECTION 6. The penalty for violating or evading, or seeking, offering, proposing, promising or agreeing to violate or evade the above Rule concerning commission or brokerage, and the rulings thereon by the Board of Directors, in any way, shape or manner whatsoever, whether by an agreement, arrangement or understanding, expressed or implied, either directly or indirctly, in person or through any firm or co-partnership of which he may be or may appear to be a partner, or through any agent or agents, or otherwise, shall be, upon conviction:

(a) For the first offense, suspension for a period of not less than six nor more than twelve months, the term of suspension to be fixed at the discretion of a majority of the Board of Directors present at a meeting thereof.

(b) For the second offense, expulsion.

Proceedings for the suspension or expulsion of any member to be had as provided under the Constitution of the Exchange.

NOTE.—A round transaction must be considered as dating at time of initiation, and not at time of completion. Commissions must be applied accordingly.

RULINGS ON COMMISSION LAW.

1. A round transaction must be considered as dating at time of initiation, and not at time of completion. Commissions must be applied accordingly.

2. No arrangement of any kind is permissible that will in any way, manner, shape or form affect the *net* result to a member as his commission for buying and selling contracts as provided in the Commission Rules. Any deviation from this, whether it be in the form of an allowance or charge for interest, or in any other shape or manner, is a violation of the Rule.

3. The employment of a member of the Exchange by a firm or firms, whether on salary, commission or otherwise, does not entitle such firm or firms to the benefits of the rules as members. To obtain such benefits, one or more members of such firm must be full members of the Exchange.

4. Any agreement whereby a monthly salary for obtaining business, or a variable monthly charge for the use of a wire, is an evasion of the Rules.

5. The commendam partnership of a member of the Exchange in a firm not otherwise represented on the Exchange does not entitle such firm to have its business done at members' rates.

6. No firm can represent more than one house upon the floor of the Exchange for the purpose of securing for such firm the reduced commission. A special partner cannot represent a firm at all.

7. It is permissible for members of the Exchange to employ a member or non-member of the Exchange as an agent, whether such agent is resident or non-resident, upon a salary, provided:

(a) That such salary is not on a sliding scale, contingent upon the amount of business obtained.

(b) That the engagement of such clerks or agents is for a period of not less than one year.

(c) That the name of such agent and the terms of the agreement between the parties shall be set forth in writing to the Committee on Commissions, which, after considering both the terms of the proposed agreement and the character and reputation of such agent, may approve or disapprove the same. If approved, a duly signed and authenticated copy of the agreement shall be filed with the Superintendent of the Exchange.

(d) That a certificate of the fact that the full amount of the salary or compensation agreed upon has been paid to said agent or employe shall be also filed with the Superintendent of the Exchange at the expiration of the time of service, or each year thereof.

(e) That such agent shall be in the employ of not more than one firm, and that his sole and entire occupation shall consist of such employment, to the exclusion of any other business or occupation whatever.

(f) Members of firms shall be held responsible for any acts of their said agents which are in violation of the Commission Rule.

(g) The provision of this ruling shall apply in all cases where a member is employed upon a salary by another member or another member's firm for the purpose of soliciting business.

8. No rebate whatever is permissible under the Commission Rules. Brokers doing business for members of the Exchange must charge the rate of commission prescribed for full members. If these members, in turn, trade for non-members, they must charge the non-member the full rates stipulated in the Rules.

9. No waiver of commission is permitted when a trade is executed, whether the result of an error or not.

10. A corporation engaged in the cotton business and whose managing officer is a member of the Exchange is entitled to the

No. 7.

AMENDMENT TO RULING 10 OF THE COMMISSION LAW OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors June 10th, 1920; Posted June 10th, 1920; Effective on and after June 21st, 1920.)

Expunge Ruling 10 as it now stands and substitute therefor the following, viz:

Ruling 10. A corporation engaged in the cotton business and whose managing officer is a member of the Exchange is entitled to the minimum rate of commission on contracts made through him for account of such corporation; provided that both the corporation and the managing officer shall assume responsibility therefor; provided further that membership in the exchange by a director who is not the managing officer of such corporation shall not entitle such corporation to the minimum rates of commission on its business. In no case can a member represent more than one house or corporation. The provisions of this rule shall not apply to corporations or stock companies organized mainly for the purpose of engaging in the solicitation of future contract business, or whose principal business is the solicitation of future contract business.

minimum rate of commission on contracts made through him for account of such corporation; provided, that membership in the Exchange by a director who is not the managing officer of such corporation shall not entitle said corporation to the minimum rates of commission. In no case, however, can a member represent more than one house or corporation.

11. The Rule permitting a firm of which only one partner is a member of the Exchange to have their business done at the minimum rate of commmission applies only to regular articled firms doing the cotton business, and not a mere association of two or more parties for purposes of speculation. Such associations should pay the maximum rate of commission.

12. The manager of a branch office established by a firm, members of the New Orleans Cotton Exchange, and having no interest in the firm, cannot receive a share of the profits of the branch office as compensation for the management thereof.

13. The full maximum commission must be charged in the case of delivery of cotton on a contract. The delivery being considered as constituting a round transaction.

14. The full rate of commission must be charged in a case where a non-member gives an order for a full member and neglects to instruct the broker to carry the contract in the member's name.

15. It is not necessary that a commission should be charged to a person for whom contracts are being carried and who disposes of his business to another. Such transfer not being considered in the nature of an ordinary purchase or sale of contracts in the open market.

16. The constituent of a suspended firm is not liable to the said firm for one-half commission for contracts in his name with them, when such contracts are replaced. The suspended firm having failed to fulfill its obligations to its constituents.

17. If the partners in a firm doing business in New Orleans and some other place or places are the same and their interest

identical in both concerns, but for the sake of convenience different titles are used for the New Orleans and other houses, all of the concerns are entitled to have their business transacted at the minimum rate of commission.

18. It is not permissible for a broker having contracts in the name of a firm outside of New Orleans and contracts in the name of the agent representing said firm in New Orleans to offset the firm's contracts against the agent's contracts, or vice versa, and charging but one commission, unless both contracts are made in the firm's name and only when they constitute a round transaction.

19. The holding of a membership by a paid employee of a firm cannot be extended so as to give a concern of which he may become a member the advantage of Exchange membership to that concern. No membership can be used in a dual capacity.

20. It is not permissible for a firm or a private wire house to pay an operator's salary at an interior point.

21. Commissions must be charged on all transactions, whether made in error or otherwise, regardless of whether losses or gains do or do not accrue.

22. There is no objection to one member paying to another member a fixed monthly rental for the part use of a wire, such rental to be a reasonable and adequate sum, the particulars of the same and the price and time agreed upon to be placed on record with the Superintendent of the Exchange. If, for any reason, it should become necessary or advisable to discontinue the agreement, both parties to the agreement shall make application to the Committee on Commissions, which, after full investigation, may consent to its cancellation. A so-called "fixed toll" per 100 bales, even though in lieu of telegraphic charges or rental, would be in violation of the spirit of the Commission Law.

Members may, by the consent and approval of the Committee on Commissions, establish branch offices. Such offices must be in charge of either a partner, or of a manager or clerk acceptable to

No. 5.

AMENDMENT TO RULING 25 OF THE COMMISSION LAW OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors June 10th, 1920; Posted June 10th, 1920; Effective on and after June 21st, 1920.)

Expunge Ruling 25 as it now stands and substitute therefor the following, viz:

Ruling 25. It is necessary for a member of the Exchange soliciting business for another member or firm represented by membership, in order to obtain a rebate on all non-member's business, that the orders be carried in his name and on his full and unlimited responsibility, and no rebate is permissible on orders solicited by or through limited liability corporations or stock companies, whether the stockholders thereof are members or non-members.

This ruling applies to all confirmation slips as well as account sales, which must be made in the name of the member solicitor for account of said solicitor's customers. Any deviation from these requirements will be considered a violation of the Commission Rule.

said Committee. The member or firm establishing a branch office shall register it with the Superintendent of the Exchange, and shall be directly responsible for the conduct of its business.

The managing clerk and all other employees must be paid fixed salaries, not varying with the business.

Members leasing private wires must file with the Superintendent of the Exchange a list of all places reached by said private wires, and also a list of all branch offices, agents or correspondents at each point on said wire, same to be subject to the approval of the Committee on Commissions.

23. It is not permissible under the Commission Law for a firm operating private wires to transmit or allow to be transmitted without charge over its wires telegrams from one party to another referring directly or indirectly to any business in cotton or to anything bearing on the cotton market, except where one of the parties sending or receiving the telegram leases the private wire, nor is it permissible for a future brokerage firm to pay for the transmission over the public wires of telegrams or telephone messages from one party to another referring directly or indirectly to any cotton business or to anything bearing on the cotton market.

24. It is not permissible under the Rules for a firm operating a private wire system to pay expense of a telephone line running into the country from a correspondent's office to various points, for use of customers.

25. It is necessary for a member of the Exchange soliciting business for another member or firm represented by membership, in order to obtain a rebate on all non-member business, that the orders be carried in his name and on his responsibility.

This ruling applies to all confirmation slips as well as account sales, which must be made in the name of the member solicitor for account of said solicitor's customers. Any deviation from these requirements will be considered a violation of the Commission Rule.

26. It is entirely permissible for an employer to increase the

salary of an employee, provided such increase is on a yearly basis, as required by the Rules.

27. No salaried employee is entitled to receive rebate commissions on any business that he may control for the firm who employs him.

28. It is not permissible for a private wire house to pay salaries of operators at relay stations where such stations are occupied also by another firm, unless the office is operated by and at the expense of the house owning the private wire through a salaried employee or resident partner of such private wire house. If the interior correspondent of a wire house is a member of the Exchange and participates in the commissions derived from the business, he should defray all expenses of operators employed at his office in the interior.

29. It is contrary to the Rules for a firm to employ a member at a stipulated salary for a period of one year with the provision that the member guarantee the firm business in excess of his salary or to make good the difference should he fail to do so.

30. It is permissible for a broker to bear the cost of telegrams or telephone messages to or from a customer when such message pertains to an order for the future delivery of cotton.

31. It would be a violation of the Commission Rule to allow interest to a customer on money deposited on margins.

32. An honorary member of the Exchange is entitled to have his future business transacted at members' rates.

33. On contracts executed for a firm which subsequently goes into liquidation and transfers contracts to another firm, not members of the Exchange at the time of the transfer, a member's rate of commission should be charged on the end of the contract made while the firm were members and on the other half of the contract the non-member's rate should apply.

34. The acceptance of the services of any person regularly employed by any telegraph company, or having any other occupa-

tion, for a compensation of whatever nature, is in violation of Ruling 7 of the Commission Law.

The soliciting of orders by any one on a salary or other remuneration constitutes that person the agent of individual or firm for whom business is solicited.

This employment brings the solicitor within the terms of Ruling 7, which permits a member or firm to employ a party to solicit business, provided the engagement is for a period of not less than one year, that the compensation be a fixed yearly one, and that the party be in the employ of not more than one firm, and that his sole and entire occupation consists of such employment to the exclusion of any other business or occupation whatever.

35. It is permissible for members to bear the cost of C. N. D. Service in any town or towns throughout the cotton section or elsewhere, provided said C. N. D. Service is not to be used in connection with the operation of a Cotton Exchange.

36. It is not permissible, as a broker, to share any portion of the expense involved in the operation of Cotton Exchanges at interior points, nor can any member of the New Orleans Cotton Exchange, who is a broker, join or become a member or contributor to any Exchange or commercial body in the United States that is not regularly incorporated under the laws of the State in which it is located.

37. No paid official or employee of any Exchange or Board of Trade can act as a representative or agent of a broker for the purpose of securing business.

38. It is not permissible, unless it is for a regularly salaried employee, for any member to contribute towards securing use of, or carrying of a share or shares of Exchange stock for another member or applicant for membership, at less than the regular market rate therefor, such contributions being in the light of a rebate.

39. It is permissible under the Commission Law for a member to contract with a non-broker as agent at a stipulated yearly salary,

coupled with a condition that losses arising from business secured by said agent may be shared by both parties to the contract. Provided, that this ruling shall not be considered as in contravention of paragraph (a) of Ruling 7.

RINGS AND MARGINS.

Cancelling Contracts and Ring Settlements.

Rule 48. Section 1. All contracts for the future delivery of cotton shall be binding upon members, and of full force and effect until the quantity and qualities of cotton specified in such contracts shall have been delivered, and the price specified in said contracts shall have been paid. Nor shall any contract be entered into with any stipulation or understanding between parties, at the time of making such contract, that the terms of said contract, as specified in Rule 1, are not to be fulfilled, and the cotton received and delivered in accordance with said Rule. Provided, however, that any party holding a contract against another, corresponding in all respects, except as to price, with one held by the other party against him, may close or cancel both by giving notice in writing to the opposite party, at any time before notice of delivery.

Section 2. All "ring" settlements shall be made at the bid prices posted by the Superintendent at the close of business on the last business day preceding that on which the ring is made; and bills on "rings" shall be rendered by 12 o'clock noon of the day following that on which such ring or settlement shall have been made, and must be paid by 2 p. m. of the day on which they are rendered, except on Saturdays, when they must be rendered by 10:30 a. m., and paid before 11:30 a. m.; provided, that bills for direct settlements shall be rendered by 12 o'clock noon of the day after that on which such settlements shall have been made and must be paid by 2 p. m. of the day on which they are rendered, except Saturdays, when they must be rendered by 10:30 a. m., and paid

NEW ORLEANS COTTON EXCHANGE

New Orleans, October 26, 1920.

Under resolution of the Board of Directors adopted this day, it was

ORDERED, That after October 31st, 1920, and until further notice, there shall be a return to the hours for trading, posting bids, etc., which prevailed prior to the adoption of the amendments of March 20th last, viz.:

OPENING AND CLOSING EXCHANGE ROOMS

Opening Exchange Rooms, daily....	8:00 A. M.
Closing Exchange Rooms, daily, except Saturdays	5:00 P. M.
Closing Exchange Rooms on Saturdays.	3:00 P. M.

HOURS FOR FUTURE BUSINESS

Daily, except Saturdays:	
Opening.	9:00 A. M.
Closing.	2:00 P. M.
Saturdays:	
Opening.	9:00 A. M.
Closing.	11:00 A. M.

CALLS

Daily, except Saturdays:	
First Call	9:00 A. M.
Second Call	12:00 M.
Third Call	1:30 P. M.
Saturdays:	
First Call	9:00 A. M.

Fold-out Plac

This fold-out is being d
will be inserted at a

NEW ORLEANS COTTON EXCHANGE

March 20th, 1920.

At a Meeting of the Board of Directors held this day, it was

RESOLVED, That on and after Monday, March 29th, 1920, the following

SUMMER HOURS

be and are hereby adopted, viz.:

Opening Exchange rooms daily.....	7:30 A. M.
Closing Exchange rooms March 29th to Sept. 1st, 1920, daily except Saturday.	3:00 P. M.
Closing of Exchange Saturday, March 29th to September 1st.....	2:00 P. M.
Closing Exchange on and after September 1st, 1920, daily except Saturdays	5:00 P. M.
Closing Exchange after September 1st on Saturdays.....	3:00 P. M.

HOURS FOR FUTURE BUSINESS

From March 29th to October 31st, 1920, both inclusive

Daily, except Saturdays:

Opening.	8:00 A. M.
Closing.	1:00 P. M.

Saturdays:

Opening.	8:00 A. M.
Closing.	10:00 A. M.

CALLS

Daily, except Saturdays:

First Call.	8:00 A. M.
Second Call.	11:00 A. M.
Third Call.	12:30 P. M.

Saturdays:

First Call.	8:00 A. M.
Second Call.	9:45 A. M.

At the same time and place, it was

RESOLVED, That the Rules in relation to posting of Bid Prices and depositing Margins be amended in so far as hours are concerned to conform with the following, the said amendments to be effective only from March 29th to October 31st, 1920, both dates inclusive, viz.:

POSTING BID PRICES DAILY BY SUPERINTENDENT

From March 29th to October 31st.

Daily, except Saturday, 9:30 A. M., and 11:30 A. M.
Saturday..... 9:00 A. M.

DEPOSITING MARGINS

From March 29th to October 31st.

Daily, except Saturday:

On calls before 11 o'clock. Same day by 12:30 P. M.

On calls after 11 o'clock. Before 11 A. M., of next day.

DEPOSITING MARGINS

From March 29th to October 31st.

On Saturdays:

On calls before 9 A. M. Before 9:30 A. M.

On calls after 9 A. M. Before 11 A. M., of following day.

ORIGINAL MARGINS

From March 29th to October 31st.

Party calling may demand that full amount be deposited within one hour of the receipt of call.

H. G. HESTER,
Secretary.

NEW ORLEANS COTTON EXCHANGE.

At a meeting of the Board of Directors held April 6th, 1921, it was

RESOLVED, That on and after Monday, April 25th, 1921, the following

SUMMER HOURS

be and are hereby adopted, viz:

Opening Exchange rooms daily.....	7:30 A. M.
Closing Exchange rooms April 25th to September 24th, 1921, daily except Saturday	3:00 P. M.
Closing of Exchange on Saturdays, from April 25th to September 1st.....	2:00 P. M.
Closing Exchange on and after September 1st, 1921, daily except Saturdays.	5:00 P. M.

NEW ORLEANS COTTON EXCHANGE.

At a meeting of the Board of Directors held April 6th, 1921, it was

RESOLVED, That on and after Monday, April 25th, 1921, the following

SUMMER HOURS

be and are hereby adopted, viz:

Opening Exchange rooms daily	7:30 A. M.
Closing Exchange rooms April 25th to September 24th, 1921, daily except Saturday	3:00 P. M.
Closing of Exchange on Saturdays, from April 25th to September 1st	2:00 P. M.
Closing Exchange on and after September 1st, 1921, daily except Saturdays	5:00 P. M.
Closing of Exchange after September 1st on Saturdays	3:00 P. M.

HOURS FOR FUTURE BUSINESS.

April 25th to September 24th, 1921, both inclusive.

Daily, except Saturdays:	
Opening	8:00 A. M.
Closing	1:00 P. M.
Saturdays:	
Opening	8:00 A. M.
Closing	10:00 A. M.

CALLS.

Daily, except Saturdays:	
First call	8:00 A. M.
Second call	11:00 A. M.
Third call	12:30 P. M.
Saturdays:	
First call	8:00 A. M.
Second call	9:45 A. M.

At the same time and place, it was

RESOLVED, That the Rules in relation to posting of Bid Prices and depositing Margins be amended in so far as hours are concerned to conform with the following, the said amendments to be effective only from April 25th to September 24th, 1921, both dates inclusive.

POSTING BID PRICES DAILY BY SUPERINTENDENT.

From April 25th to September 24th.

Daily, except Saturdays, 9:30 A. M., and 11:30 A. M.
Saturdays, 9:00 A. M.

DEPOSITING MARGINS.
From April 25th to September 24th.

Daily, except Saturday:
On calls before 11 o'clock, same day by 12:30 P. M.
On calls after 11 o'clock, before 11 A. M. of next day.

DEPOSITING MARGINS.
From April 25th to September 24th.

On Saturday:
On calls before 9 A. M., before 9:30 A. M.
On calls after 9 A. M., before 11 A. M., of following day.

ORIGINAL MARGINS.
From April 25th to September 24th.

Party calling may demand that full amount be deposited within one hour of the receipt of call.

H. G. HESTER,
Secretary.

before 11:30 a. m., under a penalty of 6/100c per pound as liquidated damages. The party making a ring shall notify all the parties thereto, who shall be compelled to accept the same; he shall get their initials in acknowledgment, leaving with each a copy thereof. If the "ring" is not complete he shall, on the same day, notify all the parties thereto. The contract of the earliest date shall in all cases be the one considered settled.

SECTION 3. Any party who, at the request of another, transfers a contract, or substitutes another for one held by him, shall receive ten (10) cents a bale as compensation for making the change, but this transfer fee shall not be paid by any member who, in the legitimate discharge of his duty as a broker, tenders the name of his principal before the close of the Exchange hours on the day on which the transaction is made.

SECTION 4. Margins may be called after a "ring" is formed, but only to the extent of the differences owed on said "ring" to the bid prices fixed for said ring. A "ring" is considered a basis of settlement and, as such, is not affected by fluctuations subsequent to the formation of said "ring."

SECTION 5. All brokerages for making settlements, transfers and changes in contracts shall be paid by the party employing the broker.

SECTION 6. Where a transfer of contract of a "ring" has been verbally agreed upon by all parties, and all have been notified, it shall be in force from the time of the acknowledgment, and cannot be broken by the failure of any party thereto.

ORIGINAL MARGINS.

RULE 49. SECTION 1. Either party to a contract for the future delivery of cotton shall have the right to call an original margin of from one to five dollars per bale at the time of signing the regular contract, or at any time prior thereto, and may also demand that

the full amount demanded shall, within one hour after receipt of such demand, be deposited with the Superintendent of the Exchange in certified checks. The party calling must put up and deposit an amount equal to that called by him. Margins may be called, and shall be put up on verbal contracts, and on a slip as memorandum of contract in all respects as is herein prescribed in case of a regular contract. Provided, that all demands for original margins on verbal contracts or slips must be made within twenty-four (24) hours after the transaction upon which such original margins are called.

MARGINS ON DIFFERENCES.

RULE 50. SECTION 1. When a contract provides for demanding a margin, notice in writing, requiring same, must be deposited at the office of the party from whom the margin is called; and if the office of the party is unknown or closed, it shall be delivered to the Superintendent of the Exchange, who shall endorse thereon the time of its receipt and promptly post the same on the bulletin of the Exchange. When such a notice is given before 12 o'clock m., the margin must be deposited by 1:30 o'clock p. m. of the same day, except on days when the closing hour of business is prior to 12 m.; on such days margins called before 10 a. m. must be deposited before 10:45 a. m.; and if called after 10 a. m., must be deposited before 12 m. of the following day.

When notice is given after 12 o'clock m., the margin must be deposited before 12 m. of the next day, except in cases of calls for one dollar per bale original margin, as provided for in Rule 49, which must always be deposited within one hour from the receipt of the demand therefor. The Superintendent of the Exchange shall, every day, at 10:30 o'clock a. m., and 12:30 o'clock p. m., post on the bulletin of the Exchange the bidding price for each month dealt in, and if there are no bids, the last sale reported. These prices shall govern all calls for margins. All margins called

before 12 o'clock m. shall be put up at the prices posted at 12:30 o'clock p. m., on the same day, except on days when the closing hour of business is prior to 12 m.; on such days margins shall be put up at the prices posted at 10 o'clock a. m., and all margins called after 12 o'clock m. shall be put up at the prices posted at 10:30 o'clock a. m. of the following business day. If any party fails to deposit any margin called for in accordance with the contract and Rule 49, the other party may close the contract at his option by giving written notice of his decision to do so. The party in default shall then account to the other party for the difference between the contract price and the average quotations of the Cotton Exchange for that day, for like deliveries, with an allowance against the defaulting party of 25/100c per pound.

SECTION 2. The passing of any transferable notice shall not prevent the calling of margins on contracts any time before the day of delivery.

SECTION 3. The Board of Directors shall select such bank or banks in good standing, and members of the New Orleans Clearing House, to act as depositories for margins, as they shall deem proper.

BANKS FOR DEPOSIT—MARGIN CERTIFICATES. SETTLEMENTS—RISKS.

RULE 51. SECTION 1. When margins are called for variations in the market, certified checks must be drawn to order of any one of the banks selected by the Board of Directors; said bank to be designated by the party calling.

SECTION 2. Certified checks for original margins and margins called as above must be sent to the Superintendent of the New Orleans Cotton Exchange, who shall deposit them and get a "certificate of deposit," made payable on the order of the Superintendent of the New Orleans Cotton Exchange and to the order of the buyer and seller. As soon as the Superintendent has received

the certificate he shall send it to the party making the deposit, and an abstract of same to the party calling the margin. In settlement, the Superintendent shall ascertain the amount due each of the parties at interest, and shall endorse the amount due on the certificate over his own signature, as instructed by both parties. In case the two parties do not agree as to the amount due each on such certificate, either of them may refer the matter to the Arbitration Committee for decision, with right of either party to appeal from their decision to the Appeal Committee. On the decision of the Arbitration Committee, if not appealed from, or that of the Appeal Committee, if appealed to, the Superintendent shall promptly endorse to each party the amount each shall be entitled to by such decision. Original margins are at the risk of the party depositing them.

SECTION 3. Margins deposited for variations in the market are at the risk of the party to whom the money is actually due each day. In case of failure of any bank or trust company in which margins have been deposited, it shall be the loss of the party or parties to whom it may be found due, taking the average price of like deliveries on the day such bank or trust company failed as a basis of settlement.

STANDING COMMITTEES.

TITLES OF COMMITTEES.

RULE 52. The Board of Directors shall appoint the following Standing Committees, in addition to those provided for in Rule 5 of the Future Rules, viz.: A Future Committee, a Supervisory Committee, a Committee on Commissions; also such other Committees as the requirements of the business may demand.

DUTIES OF COMMITTEES.

RULE 53. The Future Committee shall be composed of nine (9) members, and its duty shall be to supervise the transactions of

the business in contracts for the future delivery of cotton, and to examine into all infractions of the Rules, except those relating to failures.

Where there are evident infractions in posting transactions in future contracts, the Committe, or three members thereof, shall have the right to order immediate cancellation on the board of such transactions.

The Supervisory Committee shall be composed of five (5) members, three (3) of whom shall constitute a quorum for business. Its duties shall be to investigate all failures, and to examine into all infractions of the Rules relating thereto.

The composition and duties of the Committee on Commissions shall be as prescribed in Rule 13 of the General Rules.

ATTORNEYS.

Form of Power of Attorney.

Rule 54. Any person transacting business in contracts, as the representative of any house or firm in which he is not an advertised partner, must file with the Superintendent of the Exchange a duly executed power of attorney in the following form, viz.:

United States of America,
State of Louisiana, Parish of Orleans,
City of New Orleans.

Know All Men by These Presents:

That.....of.....do hereby constitute and appoint, and by these presents do make, constitute and appoint.....of..... true and lawful attorney to represent.....in the buying and selling of contracts for the future delivery of cotton, for.....and in.....stead, to perform all necessary acts as hereinbefore stated, in accordance with the By-Laws and Rules of the Exchange, which.....might legally

do; hereby ratifying and confirming in all respects the act or acts of.....said attorney as fully as.....could do if personally present, and this.....power shall remain in full force and effect until after the expiration of twenty-four hours from the date of the posting upon the bulletin board of the Exchange room, by the Superintendent thereof, a notice of the revocation of the same.

All transactions in futures made under the "call" by a member holding a power of attorney shall be binding upon his principal or principals; and all transactions in contracts made by such member not under the "call" shall also be binding upon his principal or principals, unless it shall be distinctly stated and agreed upon in writing by an exchange of slips at that time, that the transaction is for his own account. Provided, that no such power of attorney shall do any business for his own account unless he is a full member of the Exchange.

FAILURE TO MEET LIABILITIES AND OBLIGATIONS AT MATURITY.

Voluntary Notices of Failure.

Rule 55. Any member of the Exchange who shall find himself unable to meet his liabilities to, or obligations with, other members at maturity shall immediately communicate to the Exchange the fact of his inability so to do, by means of a letter addressed to the Superintendent, by whom it shall be at once posted on the bulletin of the Exchange, where it shall remain for five (5) days.

The posting of such a letter shall be considered as due and sufficient notice to all the members of the Exchange of the facts therein recited, and any contract for future delivery with the failed member or firm shall be closed in the open market not later than three business hours after such posting by the other party thereto,

who shall promptly notify the failed member or firm of the time and price at which the contract was closed, which price shall be the basis of settlement between the parties to the contract. Any member of the Exchange holding a claim or contract against a member who has given notice of his failure may demand an investigation of the affairs of said alleged failed member by the Supervisory Committee, and if said Committee shall be of opinion and shall report to the Board of Directors that said member is able to meet and pay all his contracts and liabilities at maturity, he shall be debarred from the privilege of settlement under the provisions of this Rule.

FORCED NOTICES OF FAILURE—DUTIES OF MEMBERS.

RULE 56. If any member of the Exchange shall hold a claim or contract, either as principal or broker, against any other member who has not already been posted as failed, for or arising from the purchase or sale of cotton for future delivery, which is not settled or liquidated at maturity, he shall record the fact of the failure of said other member to meet his liabilities, in a book kept by the Superintendent of the Exchange, entitled "Record of Failures," and if he shall omit or neglect so to do within ten (10) days after such failure occurs, he may, upon the recommendation of the Supervisory Committee, in the discretion of the Board of Directors, be suspended from the rights and privileges of membership in the Exchange for a period not exceeding one year. No claim or contract shall be considered settled or liquidated for the purposes of this Rule except by cash payment or property actually delivered. As soon as the record provided for in this Rule is made in the "Record of Failures," the Superintendent shall deliver a copy thereof to the Supervisory Committee, who shall promptly examine the proof of the charge, and if, in their opinion, the failure to meet obligations is proven, they shall instruct the Superintendent to

promptly post upon the bulletin of the Exchange a notice of such failure, and to keep it so posted for five (5) days.

RECORD OF CLAIMS AGAINST FAILED MEMBERS.

RULE 57. Any member of the Exchange who holds a claim, either as principal or broker, against any member of whose failure a notice has been posted, either by his own direction or by order of the Supervisory Committee, which claim has arisen on account of the purchase or sale of cotton for future delivery, shall record such claim in the "Record of Failures" within thirty (30) days after the posting of said notice, and if he fails so to do he shall forfeit all right under such claim to participation in the proceeds of the sale of the share of stock in the Exchange of said failed member.

RIGHTS OF FAILED MEMBERS—SUPERINTENDENT'S DUTIES.

RULE 58. The Superintendent of the Exchange shall, within three (3) days after the expiration of thirty (30) days mentioned in the last preceding Rule, serve upon the member of whose failure a notice has been posted, or upon the legal representative of a deceased member, a copy of all the claims against him which have been recorded in the "Record of Failures," in accordance with the requirements of the last preceding Rule. If the said member, or legal representative, or any of the creditors, shall dispute the correctness of any claim so recorded, the member, or legal representative, so objecting, shall, within three (3) days after the expiration of the aforesaid three (3) days, file with the Superintendent a written notice specifying the grounds of his objection thereto, and the Superintendent shall, within three days after he receives such notice, deliver the same, together with a copy of the claim which it disputes, to the Arbitration Committee.

ARBITRATIONS ON CLAIMS OF FAILED MEMBERS.

RULE 59. Upon receiving such claim and the objection thereto, the Arbitration Committee shall proceed to consider the same, and shall hear such testimony as may be offered by either the claimant or the objector, which shall, in the judgment of the Committee, be material and pertinent, and shall, within ten (10) days after such claim and objection is submitted to them, make, sign and file with the Superintendent of the Exchange an award thereon in writing. The Superintendent shall immediately record such award in the "Book of Decisions of the Arbitration Committee," and shall, at the same time, send by special messenger a notice of the recording of said award to each party interested therein, which notice shall specify the date and time of such recording, and in default of an appeal therefrom the said award shall be final and binding upon all the parties interested therein.

APPEALS—LIMIT OF TIME FOR PAYMENT BY FAILED MEMBERS.

RULE 60. Within three (3) days after the award of the Arbitration Committe shall be filed, or, if there be an appeal from such award, within three (3) days after the decision thereon by the Appeal Committe shall be filed, or if there shall have been no objection made to any claim within three (3) days after the time allowed for filing such objections, the Superintendent shall serve upon the member of whose failure a notice has been posted, or upon the legal representative of a member whose death has been posted, a list of such claims as have been recorded, and to which no objection has been made, and a notice of the decision of the Arbitration Committee, or of the Appeal Committee (as the case may be) upon such claims as have been objected to, and if said member shall not within five (5) days pay such awards and claims the Board of Directors shall declare his membership at an end.

SCHEDULE OF FAILED MEMBERS.

Duty of Supervisory Committee.

Rule 61. When the failure of any member of the Exchange has been posted, either by his own act or by direction of the Supervisory Committee, he shall forfeit all the rights and privileges of membership, except such as relate to arbitrations on claims resulting from business transactions with members entered into before the posting of such notice of his failure.

The said member shall, within ten days after posting such notice of his failure, send to the Supervisory Committee a statement of his affairs and produce the books of account to them for full and free examination, which examination may, in the discretion of the Committee, be made by and with the assistance of an expert accountant, the cost of whose services shall be charged to the estate of said member.

If any member who has been so posted as failed shall omit to send to the Supervisory Committee within said ten (10) days the statement required by this Rule, or if said Committee, on an examination, shall be of opinion that the said member has conducted his business in a reckless and unbusinesslike manner, they shall so report to the Board of Directors, who may, by a two-thirds vote, declare such failed member disqualified for reinstatement.

REINSTATEMENT OF FAILED MEMBERS.

Rule 62. Any member of the Exchange who, finding himself unable to meet his liabilities and obligations at maturity, shall cause notice thereof to be given to the members of the Exchange, as provided in Rule 55, and shall have made honorable settlement with his creditors, or shall have offered to pay them pro rata to the full extent of his ability, including the market value of his share of stock, may, within one year from the date of his failure, apply for reinstatement through the Supervisory Committee, who shall, with-

in one week from the receipt thereof, report to the Board of Directors such application, together with the opinion of said Committee thereon, and the Board of Directors may, at any meeting subsequent to that at which said report is received, by a vote of two-thirds (2/3) of the members of the Board of Directors present and voting, reinstate such member upon his obtaining a new share of stock; but this Rule shall not be construed to authorize the reinstatement of any member of whose failure a notice shall have been posted by order of the Supervisory Committee.

AVERAGE QUOTATIONS.

RULE 63. In making the daily average quotations the Superintendent shall consider each report of prices for each month as a unit, dividing the aggregate by the number of reports made for such month. The results shall constitute the average quotations of that day for time contracts. When no sales for any month are reported at the Exchange, the Committe on Future Quotations shall fix the quotations for such month if required.

DECEASED MEMBERS.

CONTRACTS WITH DECEASED MEMBERS.

RULE 64. It shall be the duty of the Superintendent of the Exchange, as soon as he shall learn of the death of any member, to post a notice of such death upon the bulletin of the Exchange, which notice shall be due and sufficient notice to all the members of the Exchange of the facts therein stated.

Any contract for the future delivery of cotton, in which the member whose death is so announced shall have been the sole seller or buyer, or the only member of the Exchange in his firm, shall be closed in the open market not later than three business hours after such announcement by the other party thereto, who shall promptly

notify the estate or firm of the deceased member of the time and price at which the contract was closed, which price shall be the basis of settlement between the parties to the contract.

It shall be the duty of every member of the Exchange, who shall hold a contract for the future delivery or receipt of cotton in which a member, of whose death a notice is posted as hereinbefore provided, shall have been sole seller or buyer, to present to the Superintendent of the Exchange, within ten (10) days after the posting of such notice, a statement of all such contracts, and any member holding any such contracts, and who shall fail to present such statement, may, in the discretion of the Board of Directors, be suspended from all the rights and privileges of membership, for any term not exceeding one year.

APPENDIX

REGULATIONS

OF THE SECRETARY OF AGRICULTURE

UNDER SECTION 5 OF THE

UNITED STATES COTTON FUTURES ACT

AS AMENDED MARCH 4, 1919

ISSUED MAY 22, 1919

BRIEF

OF

REGULATIONS OF THE SECRETARY OF AGRICULTURE

IN REFERENCE TO

SECTION 5 CONTRACTS

ISSUED MAY 22, 1919

REGULATION 1.

DEFINITIONS OF TERMS USED IN REGULATIONS.

REGULATION 2.

SEC. 1. Contracts and details of deliveries must accord with Section 5 of Act as amended.

SEC. 2. Regulations do not relieve parties of their obligations nor deprive them of their rights under Act.

SEC. 3. Amendments to regulations will, unless otherwise stated, apply to tenders and settlements made on and after effective date of Amendment, on contracts entered into prior and subsequent to Amendment.

SEC. 4. Method of publication under Act.

REGULATION 3.

SEC. 1. Chief Bureau of Markets to supervise performance of duties under the Act.

SEC. 2. Boards of Cotton Examiners—Locations and membership thereof.

SEC. 3. Supervisors of Cotton Inspection—How appointed—Duties thereof.

SEC. 4. Chairman Board of Cotton Examiners—Responsibility of same.

REGULATION 4.

CLASSIFICATION REQUESTS.

SEC. 1. Classification by lot or marks—Forms for request therefor.
SEC. 2. Classification Requests—How made.
SEC. 3. Classification Requests—How and when filed.
SEC. 4. Classification Requests—Withdrawals and rejections thereof.

REGULATION 5.

INSPECTION AND SAMPLES.

SEC. 1. Inspection, sampling and preparation of samples—Supervision thereof.
SEC. 2. Duties of owners.
SEC. 3. Prohibition of employes disapproved by Chief Bureau of Markets.
SEC. 4. Rejections, by whom made.
SEC. 5. Samples—How drawn.
Samples—Weight of same.
Head inspections, reports on conditions not indicated by samples.
SEC. 6. Samples, preparation thereof, originals and duplicates.
SEC. 7. Original samples to be classed by lot or mark—How wrapped.
Original samples, labeling of wrappers.
SEC. 8. Duplicate samples, how wrapped and labeled.
SEC. 9. Samples, original and duplicate; deliveries to Board of Cotton Examiners.
SEC. 10. Separate samples furnished to owners.
SEC. 11. Samples—Careful handling enjoined to prevent loss of sand or change in character.
SEC. 12. Samples—Rejections of samples for cause, by whom made. Re-inspection and re-sampling, if necessary.
SEC. 13. Removal of original samples by holders of cotton class certificates.
How such removal affects rights for review.
SEC. 14. Removal of duplicate samples by holders of certificates, when made.

SEC. 15. Removal of samples on withdrawal of request for classification—time limit.
SEC. 16. When samples become property of Agricultural Department.

REGULATION 6.

CLASSIFICATION.

SEC. 1. *Classification of cotton delivered on a Section 5 Contract can only be determined by officers of United States Government designated under Regulations of the Secretary of Agriculture.*
SEC. 2. Order of classification.
SEC. 3. Exposure of samples.
SEC. 4. Light and other conditions necessary for accuracy.
SEC. 5. Classification based on lower sample from bale.
SEC. 6. All samples submitted, whether tenderable or untenderable, classified on basis of official standards.
SEC. 7. Cotton reduced in value below its grade—cause to be determined and stated.
SEC. 8. Definitions of irregular cotton.

REGULATION 7.

COTTON CLASS CERTIFICATES.

SEC. 1. Cotton Class Certificates—contents thereof.
SEC. 2. Grades tenderable—Specifications thereof—Separate certificates therefor—Limit of staple.
SEC. 3. Grades classed as untenderable—Separate certificates therefor.
SEC. 4. New certificates issued on account of breaking or splitting of lots, etc.
SEC. 5. Loss or destruction of certificates, how replaced.
SEC. 6. Exchange of certificates issued prior to Amendment of Section 5, for new style certificates under amended Act—How effected.
SEC. 7. Surrender of certificates for cause, issuance of new certificates therefor.
Certificates not surrendered for cause on request of Chairman Board of Cotton Examiners, or Chief Bureau of Markets, shall be deemed invalid.

SEC. 8. Validity of cotton class certificates for tenderable cotton for use in tenders on Section 5 Contracts made at, on or in Exchange specified in certificates.

SEC. 9. Certificates invalidated by removal of cotton from storage place, except when handled and restored or transferred under supervision of Exchange Inspection Bureau, or except as provided in Regulation 11.

SEC. 10. Storage places—Cotton located or stored in places disapproved by Chairman Board of Cotton Examiners or the Chief Bureau of Markets, will not be certificated—Certificates previously issued for cotton located or stored in such places shall be invalidated. How new certificates may be obtained on removals of such cotton.

SEC. 11. Statements of cotton classified pursuant to Government regulations, withdrawn from storage, etc., to be furnished weekly by Exchange Inspection Bureau.

SEC. 12. Conditions under which tenders or deliveries may be made; cotton class certificates required on or prior to delivery date, except as provided in Regulation 8.

REGULATION 8.

DELAYED CERTIFICATION.

SEC. 1. Deliveries may be made prior to issuance of certificates when samples have been in custody of the Board of Cotton Examiners for a prescribed time, subject to conditions specified in subsequent sections of this Regulation.

SEC. 2. Form of notice to be filed with Government officials on date of transferable notice.

SEC. 3. When cotton must be inspected, sampled and samples delivered to Board of Examiners.

SEC. 4. Deliveries on written notice of tenderer, how made. Validation of tenderer's notice by Chairman Board of Cotton Examiners.

SEC. 5. When party tendering on his own notice of grade shall deliver to the receiver cotton class certificates of Board of Cotton Examiners.

Replacement of untenderable bales included in tenderer's notice not permitted.

REGULATION 9.

POSTPONED CLASSIFICATION.

SEC. 1. How postponement may be had.
SEC. 2. Limit of time for filing notice.
Custody of samples.
SEC. 3. Loss of priority of classification.
SEC. 4. When requests for classification shall be considered withdrawn.

REGULATION 10.

REVIEWS.

SEC. 1. Limit of number of reviews.
SEC. 2. Limit of time for applications by owner.
SEC. 3. Limit of time for application by receiver.
No reviews granted on cotton previously reviewed.
SEC. 4. Before whom application for review shall be made.
Surrender of cotton class certificates before review.
SEC. 5. Application for reviews without good cause or for dilatory purposes may be dismissed.
SEC. 6. Classification of every bale in lot shall be reviewed.
SEC. 7. Samples on which reviews shall be made.
SEC. 8. Classifications in original class certificate not to be changed unless clearly erroneous.
SEC. 9. Procedure when classification as shown by cotton class certificate is found to be correct.
SEC. 10. Procedure when classification as shown by cotton class certificate is changed.
SEC. 11. Tenderer shall replace cotton previously classed as tenderable, but found to be untenderable on review.
Time and method of replacements.

REGULATION 11.

SUPERVISION OF TRANSFERS OF COTTON.

SEC. 1. Transfers of inspected and classed or certificated cotton from one market to another for delivery on a Section 5 Contract.

SEC. 2. Method of procedure.
SEC. 3. Examination and tagging or sealing of bales.
SEC. 4. Transfer of identification certificates.
SEC. 5. Examination and identification of bales at place of destination.
Cotton class certificates for use at destination.
SEC. 6. Bales differing in classification from that shown by cotton class certificates issued prior to transfer.

REGULATION 12.

COSTS OF CLASSIFICATION AND CERTIFICATION.

SEC. 1. Cost of classification and certification.
SEC. 2. Cost of new certificate issued without re-classification on account of breaking or splitting lots or otherwise for convenience of holders.
SEC. 3. Cost of certificates issued, without re-classification, on basis of findings under Section 5 Contract as unamended.
SEC. 4. Fee for reviews (or appeals).
Minimum charge for a lot.
SEC. 5. New certificates for correction of clerical errors, free of cost.
New certificates substituted account of change of form, free of cost.
SEC. 6. Cost of supervision of transfers under Regulation 11, including new certificates incidental thereto, if without re-classification.
SEC. 7. Fee on samples withdrawn after delivery to the Board of Cotton Examiners, but before classification.
SEC. 8. Samples not removed in accordance with regulations and loose cotton separated from samples in handling and classification to become property of Department of Agriculture.
SEC. 9. Additional costs to be paid for transfer of cotton inspected and sampled or supervision of transfer of cotton at a place other than where a Board of Cotton Examiners or Supervisor of Cotton Inspection is located.

SEC. 10. Expense of inspection, sampling, preparation of samples, delivery of samples to classification room or other place designated to be borne by party requesting classification.
SEC. 11. Bills for costs, by whom rendered.
Limit of time for payment of bills.
SEC. 12. Advance deposits to cover payments may be demanded.
SEC. 13. Payments and advance deposits, how made.

The Regulations in full are as appended:

REGULATIONS UNDER SECTION 5 OF THE UNITED STATES COTTON FUTURES ACT AS AMENDED MARCH 4, 1919. (ISSUED MAY 22, 1919)

Regulation 1. Definitions.

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

SECTION 2. As used throughout these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean—

PARAGRAPH 1. *The ACT.* The United States cotton futures Act, approved August 11, 1916 (39 Statutes at Large, page 476).

PARAGRAPH 2. *Exchange.* Exchange, board of trade, or similar institution or place of business, at, on, or in which a section 5 contract may be made.

PARAGRAPH 3. *Section 5 contract.* Contract of sale of cotton for future delivery, mentioned in the Act, made at, on, or in any exchange in compliance with section 5 of the Act, as amended March 4, 1919.

PARAGRAPH 4. *Person.* Individual, association, partnership, or corporation.

PARAGRAPH 5. *Owner.* Person who owns, controls, or has the disposition.

PARAGRAPH 6. *Bureau of Markets.* Bureau of Markets of the United States Department of Agriculture.

PARAGRAPH 7. *Exchange inspection bureau.* The inspection bureau of the New York Cotton Exchange or of the New Orleans Cotton Exchange, or of any other exchange which may have an organized inspection bureau recognized as such by the Chief of the Bureau of Markets, as the case may be.

Regulation 2. General.

SECTION 1. The inspection, sampling, and classification of cotton pursuant to section 5 of the Act, as amended shall be performed as prescribed in these regulations. All tenders of cotton and settlements therefor under section 5 contracts shall be made subject to these regulations. No contract shall for the purposes of these regulations be deemed to comply with section 5 of the Act as amended if it contain or incorporate therein by reference or otherwise any provision or any by-law, rule or custom of an exchange which is inconsistent or in conflict with any requirement of said section 5, nor if the parties enter into any collateral or additional agreement or understanding, either verbal or written, respecting the subject matter of such contract which is inconsistent or in conflict with any requirement of said section 5.

SECTION 2. Nothing in these regulations shall be construed as relieving any party to a section 5 contract of any obligation imposed upon him, or as depriving him of any right to which he may be entitled, under any provision of the contract or exchange rule made a part thereof, which shall not be inconsistent with the Act as amended or the regulations made under the Act.

SECTION 3. Any amendment to these regulations, unless otherwise stated therein, shall apply to all tenders of cotton and settlements therefor made on and after the effective date of such amendment, under section 5 contracts entered into prior, as well as subsequent, to such effective date.

SECTION 4. Publications under the Act and these regulations may be made in service and regulatory announcements of the Bureau of Markets and by such other means as the Chief of the Bureau of Markets shall from time to time designate for the purpose.

To be inserted at page 148 of the Book of By-Laws, Rules, etc. of the New Orleans Cotton Exchange—1920 Edition.

Amendment to Regulations of the Secretary of Agriculture under Section 5 of The United States Cotton Futures Act, as Amended March 4th, 1919; effective November 6th, 1919.

In Regulation 2, at the end thereof, insert a new section, as follows:

SEC. 5. As far as applicable, these regulations shall have the same force and effect for the purposes of Section 6A as for the purposes of Section 5 of the Act.

Regulation 3. Administration.

SECTION 1. The Chief of the Bureau of Markets is charged with the supervision on behalf of the United States Department of Agriculture of the performances of all duties arising in the administration of the United States cotton futures Act.

SECTION 2. There shall be located at New York, N. Y., at New Orleans, La., and, when necessary in the opinion of the Chief of the Bureau of Markets, at any other point that he shall designate for the purpose, a board of cotton examiners. The members of such boards and the chairman of each shall be designated for the purpose by the Chief of the Bureau of Markets.

SECTION 3. The Chief of the Bureau of Markets whenever he deems necessary may designate an official or employee of the Department of Agriculture as supervisor of cotton inspection, who shall supervise the inspection and sampling, and the preparation of samples of, cotton, for classification by a board of cotton examiners, and perform such other duties as may be required of him, for the purposes of these regulations.

SECTION 4. Subject to these regulations and the instructions of the Chief of the Bureau of Markets, the chairman of each board of cotton examiners shall be responsible for the proper performance of the duties imposed on such board and on the persons connected therewith.

Regulation 4. Classification Requests.

SECTION 1. For each lot or mark of cotton which the applicant desires classified separately he shall make a separate written request in a form prescribed or supplied by the Bureau of Markets for that purpose.

SECTION 2. Such clssification requests shall include the name of the exchange under the rules of which it is contemplated that delivery of such cotton may be made, and the lot number, if any, the marks, the number of bales, the location, and the name of the owner of the cotton, for whose account the classification is requested. It shall be signed by such owner or in his behalf by his agent. Such agent may, if authorized for

the purpose, be the inspector-in-chief of the exchange inspection bureau by which the cotton is inspected and sampled.

SECTION 3. Such classification request, unless otherwise directed by the Chief of the Bureau of Markets, shall be filed with the board of cotton examiners at the place where the exchange is located under the rules of which it is contemplated that delivery of the cotton may be made. It shall be so filed before the inspection and sampling of the cotton shall be performed, except that, if the identity of the particular bales to be submitted for classification may not be determined until the inspection thereof, the classification request shall be filed as soon as the inspection and sampling shall be completed and before the delivery of the samples as required by these regulations. In such case the inspection and sampling shall not be performed until advance notice thereof shall have been given to the board or the officer with whom the classification request is required to be filed.

SECTION 4. Any Classification request may be withdrawn by the applicant at any time before the classification of the cotton covered thereby, subject to the payment of such fees, if any, as may be prescribed pursuant to regulation 12. Any classification request may be rejected for non-compliance with the Act or these regulations.

Regulation 5. Inspection and Samples.

SECTION 1. The inspection and sampling and the preparation of samples of cotton of which classification is desired shall be subject to the supervision and in accordance with the instructions of a supervisor of cotton inspection or a cotton examiner, whose duties include such supervision.

SECTION 2. The owner of the cotton shall cause the cotton to be made available to such supervisor or cotton examiner for such examination as may be necessary for the purposes of its classification, and shall take such steps as may be necessary to secure its proper inspection and sampling and the proper preparation and delivery of representative samples thereof at the place designated therefor, in accordance with these regulations, without expense to the Department of Agriculture.

SECTION 3. No person shall after notice to the interested parties be employed in any way in connection with any phase of the inspection and sampling of cotton, or the preparation of the samples thereof, for the purposes of classification under these regulations, who for good cause is disapproved by the Chief of the Bureau of Markets.

SECTION 4. No cotton covered by a classification request filed as provided in these regulations shall be rejected by any person other than a cotton examiner, on account of grade or staple or otherwise, unless the request for the classification of the cotton so rejected shall be withdrawn by the person by whom it was made.

SECTION 5. One sample shall be drawn from the top side of each bale and one from the bottom side. Each such sample shall weigh not less than four ounces, the two samples from each bale to weigh together as nearly as possible eight ounces. The head of the bale shall be properly inspected and any conditions not fully indicated by the samples shall be specified by the inspector or the sampler of the cotton in a written memorandum which shall accompany the samples to the board of cotton examiners.

SECTION 6. The samples from each bale shall be prepared as specified in this section. The sample from the top side and the sample from the bottom side shall each be broken in halves across the layers, without seperating the layers. One half of the sample from the top side shall be placed with a half of the sample from the bottom side, making two sets of samples from each bale. There shall be placed in each set of samples between the two sides thereof a coupon showing the number of the tag attached to the bale from which such samples were drawn. One of the two sets of samples from each bale shall be called the original and the other the duplicate.

SECTION 7. The original sets of samples of the bales constituting a lot or mark to be classified separately shall be inclosed in one or more wrappers or containers as the case may require. The wrappers or containers of original samples shall be so labeled or marked or both as to show that they contain original samples, together with the lot number, if any, the marks, and the number of bales, and such other information as may be necessary

in accordance with the instructions of the chairman of the board to which the samples are to be delivered or the Chief of the Bureau of Markets.

SECTION 8. The duplicate sets or samples shall be inclosed in wrappers or containers separate and apart from the original sets, in the manner prescribed for the original samples in the foregoing section, except that the wrappers or containers shall be labeled or marked, or both, so as to show that they contain duplicate samples.

SECTION 9. The original and the duplicate samples shall be delivered to the board of cotton examiners with which the classification request was filed, at its classification room, or shall be delivered at such other place as may be designated for the purpose by the chairman of the board or the Chief of the Bureau of Markets. No samples covered by pending classification requests which are ready for delivery as provided herein shall be withheld from such delivery except pursuant to the written request of such chairman or the Chief of the Bureau of Markets.

SECTION 10. In addition to the samples hereinbefore prescribed, seperate samples, if desired, may be drawn and furnished to the owner of the cotton.

SECTION 11. All persons in any way connected with the inspection and sampling and handling of samples of cotton for the purpose of classification pursuant to these regulations shall carefully handle them in such manner as not to cause loss of sand therefrom or any change otherwise in their representative character.

SECTION 12. Any sample or set of samples which does not meet the requirements of these regulations or which does not correctly represent the bale or bales from which drawn may be rejected by a supervisor of cotton inspection or a cotton examiner, whose duties include the supervision or examination of such cotton. Whenever the supervisor of cotton inspection or the chairman of the board shall find it necessary in order to determine the true classification of any bale, such bale shall be reinspected, and if necessary re-sampled, and the new samples shall be delivered at the place designated therefor in accordance with these regulations.

SECTION 13. Original samples may be removed by the holder of the cotton class certificate covering the same, at any time within two calendar weeks after the date of such certificate. If a review of the classification shown by such certificate has not been asked for or completed and the removal takes place within the time allowed for making application for review, or before the completion of a review if asked for, such removal shall be deemed to be a waiver, by the holder of the certificate, of his right to have a review.

SECTION 14. Duplicate samples may be removed by the holder of the cotton class certificate covering the same, at any time within two calendar weeks after such certificate becomes invalid as provided in section 8 of regulation 7, or after the surrender to the board for cancellation of the certificate covering the cotton represented thereby without the issuance of a new certificate in lieu thereof.

SECTION 15. In case a classification request shall be withdrawn prior to the classification of the cotton pursuant thereto, the applicant may, within two calendar weeks after the date of such withdrawal, remove any samples of the cotton involved then in the possession of the Department of Agriculture.

SECTION 16. Samples not removed in accordance with this regulation shall be disposed of in accordance with section 8 of regulation 12.

Regulation 6. Classification.

SECTION 1. For the purposes of section 5 of the Act as amended, the classification of any cotton shall be determined only by cotton examiners designated as such by the Chief of the Bureau of Markets.

SECTION 2. All cotton for which classification requests shall be pending shall be classified as far as practicable in the order in which proper samples thereof, ready for such classification, shall have been delivered to the board of cotton examiners whose duties include the examination thereof, except as otherwise provided in these regulations or when the chairman of the board or the Chief of the Bureau of Markets shall find that an emergency exists and shall order otherwise.

SECTION 3. Such classification shall not proceed until the samples, after being delivered to the board, shall have been exposed for such length of time as in the judgment of the chairman shall be sufficient to put them in proper condition for the purpose.

SECTION 4. Such classification shall proceed as rapidly as possible, but not when light or other conditions make uncertain the accuracy of the results to be obtained.

SECTION 5. In case a sample drawn from one portion of a bale is lower in class than one drawn from another portion of such bale, except as otherwise provided in these regulations, the classification of the bale shall be that of the sample showing the lower class.

SECTION 6. All cotton whether tenderable or untenderable shall be classified on the basis of the official cotton standards of the United States in effect at the time of such classification.

SECTION 7. If cotton be reduced in value, by reason of the presence of extraneous matter of any character or irregularities or defects, below its grade according to the official cotton standards of the United States, the grade to the value of which it is so reduced, and the quality or condition which so reduces its value, shall be determined and stated.

SECTION 8. For the purposes of classification the following terms shall be construed, respectively, to mean—

(a) *Cotton of perished staple*—Cotton that has had the strength of fiber as ordinarily found in cotton destroyed or unduly reduced through exposure to the weather either before picking or after baling, or through heating by fire, or on acount of water packing, or by other causes.

(b) *Cotton of immature staple*—Cotton that has been picked and baled before the fiber has reached a normal state of maturity, resulting in a weakened staple of inferior value.

(c) *Gin cut cotton*—Cotton that shows damage in ginning through cutting by the saws, to an extent that reduces its value more than two grades.

(d) *Reginned cotton.*—Cotton that has passed through the ginning process more than once, and cotton that, after having been ginned, has been subjected to a cleaning process and then baled.

(e) *Repacked cotton.*—Cotton that is composed of factors',

brokers', or other samples, or of loose or miscellaneous lots collected and rebaled.

(f) *False packed cotton.*—Cotton in a bale (1) containing substances entirely foreign to cotton, (2) containing damaged cotton in the interior with or without any indication of such damage upon the exterior, (3) composed of good cotton upon the exterior and decidedly inferior cotton in the interior, in such manner as not to be detected by customary examination, that is, a plated bale, or (4) containing pickings or linters worked into the bale.

(g) *Mixed packed cotton.*—Cotton in a bale which shows a difference of more than two grades between samples drawn from the heads and the top and bottom sides of the bale, or which shows a difference in color exceeding two grades between such samples.

(h) *Water-packed cotton*—Cotton in a bale that has been penetrated by water during the baling process, causing damage to the fiber, or a bale that through exposure to the weather or by other means, while apparently dry on the exterior, has been damaged by water in the interior.

Regulation 7. Cotton Class Certificates.

SECTION 1. As soon as practicable after the classification of cotton has been completed by a board of cotton examiners it shall issue cotton class certificates showing the results of such classification. Each certificate shall bear the date of its issuance and shall be signed by the chairman of the board that classified the cotton. The certificate shall show the identification of the cotton according to the information in the possession of the board, the classification of the cotton according to its grade and length of staple, and such other facts as the Chief of the Bureau of Markets shall require.

SECTION 2. For each lot of cotton classified by the board as tenderable in whole or in part on a section 5 contract it shall issue a separate certificate which shall be distinctly different in color from one for cotton found to be untenderable on such contract. Such certificates shall be consecutively numbered in separate series for each exchange. They shall show only cotton

classified according to the grades specified in this section which is seven-eigths of an inch or more in length of staple:

White	Yellow Tinged	Yellow Stained
Middling fair	Good middling	Good middling
Strict good middling	Strict middling	
Good middling		
Strict middling		
Middling		
Strict low middling		
Low middling		

SECTION 3. For each lot of cotton classified by the board as untenderable in whole or in part on a section 5 contract it shall issue a separate certificate which shall be distinctly different in color from one for cotton found to be tenderable on such contract. Such certificates shall be consecutively numbered in separate series for each exchange. They shall show all cotton classified according to the grades specified in this section, or which is less than seven-eighths of an inch in length of staple, or which is otherwise declared to be undeliverable by the fifth subdivision of section 5 of the Act as amended:

White	Yellow Tinged	Yellow Stained	Blue Stained
Strict good ordinary	Middling	Strict middling	Good middling
Good ordinary	Strict low middling	Middling	Strict middling
	Low middling		Middling

SECTION 4. Upon the written request of the holder of a cotton class certificate issued under these regulations a new certificate shall be issued, without the reclassification of the cotton, to take place of the former certificate for any cotton covered thereby, when necessary on account of the breaking or splitting of a lot or otherwise for the business convenience of such holder. In such case the former certificate shall be surrendered for cancellation before the issuance of a new certificate. Such new certificate shall bear a new number and the date of its issuance and shall otherwise comply with these regulations.

SECTION 5. Upon the written request of the last holder of a valid cotton class certificate and a showing to the satisfaction of the chairman of the board of cotton examiners which issued such certificate that it has been lost or destroyed, and, if lost, that diligent effort has been made to find it without success, a new certificate shall be issued without the reclassification of the cotton. Such new certificate shall bear the same number and date

of issuance as the lost or destroyed certificate, and shall include a statement to the effect that it is a duplicate issued in lieu of a lost or destroyed original, as the case may be.

SECTION 6. Upon the written request of the owner of the cotton and the presentation to the board of cotton examiners of a copy issued by the Secretary of Agriculture of his findings in a dispute under section 5 of the Act as unamended, involving such cotton, cotton class certificates otherwise complying with these regulations shall be issued for any cotton covered by such findings, without the re-classification thereof. Such request shall be filed with the board of cotton examiners at the place where the cotton was located at the time such dispute arose, shall specify the cotton to be covered by the certificate, with the location thereof, and shall be in such form as the Chief of the Bureau of Markets shall require. Such certificate shall not be issued for cotton not stored under the supervision of the exchange inspection bureau at such place, except as provided in regulation 11. Each such certificate shall show that it is issued upon the basis of findings of the Secretary of Agriculture in a dispute under section 5 of the Act as unamended, together with the number of the dispute and date of the findings.

SECTION 7. For good cause any certificate issued under these regulations shall be surrendered to the chairman of the board of cotton examiners which issued it, upon his request or upon the request of the Chief of Bureau of Markets, and a new certificate complying with these regulations may be issued in substitution therefor. If such certificate be not surrendered upon such request it shall nevertheless be invalid for the purposes of section 5 of the Act as amended and these regulations.

SECTION 8. Each cotton class certificate for cotton classified as tenderable shall be valid for use in the tender of such cotton on a section 5 contract made at, on, or in the exchange specified in such certificate, as provided in the Act and these regulations, and in the rules of the said exchange not inconsistent therewith.

SECTION 9. Any cotton class certificate shall become invalid for use in the tender or delivery of the cotton covered thereby on a section 5 contract whenever such cotton shall be removed from the place of storage specified therein, except when it is handled and restored or transferred to a different place of stor-

age under the supervision of the same exchange inspection bureau, or except as provided in regulation 11.

SECTION 10. No cotton submitted for classification under section 5 of the Act as amended shall be located or stored at a place disapproved for the purpose by the chairman of the board of cotton examiners or the Chief of the Bureau of Markets on account of being unsuitable for the safekeeping or proper storage of such cotton, or on account of the failure or refusal of the custodian thereof to comply or to permit compliance with the requirements of these regulations so far as he may be involved therein. Notice of such disapproval shall be given in such manner as the Chief of the Bureau of Markets may direct. Thereafter, every cotton class certificate, if any, previously issued for cotton located or stored at such place shall be invalid for the delivery of such cotton on a section 5 contract, unless the cotton shall be removed under the supervision of the exchange inspection bureau, or a representative of the Department of Agrisulture designated for the purpose by the chairman of the board of cotton examiners or the Chief of the Bureau of Markets, to a place which shall be suitable for the purpose. Upon such removal and the request of the holder of the cotton class certificate for such cotton, a new certificate in lieu thereof, as provided elsewhere in these regulations, shall be issued to him.

SECTION 11. The exchange inspection bureau, under the supervision or control of which any cotton classified pursuant to these regulations shall be held or stored, shall furnish to the board of cotton examiners which classified such cotton, on the first business day of each calendar week, a written statement of all cotton withdrawn from storage, or the lot number or other identification of which has been changed, or which has otherwise been removed from the supervision or control of such exchange inspection bureau, during the next preceeding calendar week. Such statement shall show each lot number, and, if changed, the new lot number, and in case of the withdrawal or removal of a portion only of the lot the tag numbers of the bales so withdrawn or removed. If such removal shall be to a different place of storage under the supervision or control of the exchange inspection bureau, the statement shall show the new location.

SECTION 12. Subject to the provisions of regulation 8, no

cotton shall be tendered or delivered upon a section 5 contract, unless on or prior to the date fixed for delivery under such contract, and in advance of final settlement of the contract, the person making the tender shall furnish to the person receiving the same a valid outstanding cotton class certificate, complying with these regulations, showing such cotton to be tenderable on a section 5 contract.

Regulation 8. Delayed Certification.

SECTION 1. If upon the date fixed for delivery in accordance with section 5 of the Act cotton class certificates shall not have been issued by a board of cotton examiners for cotton to be delivered pursuant to such notice, samples of which cotton shall have been in the custody of the board for the time hereinafter prescribed, the delivery of such cotton may be made upon compliance with and subject to the conditions specified in this regulation. This regulation shall not apply to cotton upon which a review is pending.

SECTION 2. On the date of giving the transferable notice of the delivery in accordance with section 5 of the Act the person issuing such notice shall also give written notice to the board or officer with whom the classification request was required to be filed, specifying the date of delivery and the number of bales so to be delivered which have not been certified. In such notice, or later in writing before the delivery of the samples to the board, he shall specify the lot numbers of the cotton so to be delivered.

SECTION 3. Such cotton must be duly inspected and sampled and samples thereof must be delivered to the board not later than the date of the issuance of the transferable notice, except when the delivery date fixed by such transferable notice is the last delivery day in the month of delivery. In such case the cotton must be duly inspected and sampled and the samples thereof must be delivered to the board not later than the close of the second business day preceeding such last delivery day.

SECTION 4. If on the morning of the delivery day specified in the transferable notice the cotton class certificates covering the cotton involved are not ready for delivery when called for,

the tenderer of the cotton shall present to the board of cotton examiners a written notice stating to the best of his knowledge and belief the true grades of each individual bale to be delivered, properly identifying each bale with its grade. If the foregoing requirements of this regulation shall have been complied with, the chairman of the board shall cause to be written or stamped on such notice a statement validating it for use in the tender only on such delivery day of the cotton covered thereby pending the issuance of cotton class certificates in accordance with these regulations. The tenderer shall on such dlivery day deliver such notice to the receiver of the cotton, together with the warehouse receipts and such other papers as may be necessary to the delivery of the cotton on such day.

SECTION 5. The person making the tender shall deliver the cotton class certificates therefor to the receiver of the cotton before the close of business hours on the date of the issuance thereof, if delivered to such tenderer before eleven o'clock a. m. on that day. If the cotton class certificates be delivered to him after eleven o'clock a. m. on that day, the tenderer shall in turn deliver them to the receiver before eleven o'clock a. m. on the next following business day. There shall be no right of replacement of bales shown by such certificates to be untenderable.

Regulation 9. Postponed Classification.

SECTION 1. If the applicant desires the postponement of the classification of any cotton covered by a classification request filed pursuant to these regulations until later notice, the original classification request must so state, or the applicant must so advise the board in writing before the classification has been entered upon. Such request must show cause and that it is not merely for dilatory reasons.

SECTION 2. If thereafter the classification of the cotton be desired, notice thereof must be filed not later than the expiration of one year after the date of the receipt of the samples of the cotton by the board, and the samples must have remained in its possession.

SECTION 3. Classification pursuant to such suspended request shall not be allowed to interfere with or delay the classi-

fication of other samples previously made ready for classification or which are otherwise entitled to priority.

SECTION 4. If the period of one year hereinbefore specified shall expire without the filing of the notice of desire for classification the applicant shall be deemed to have withdrawn the original request for the classification of such cotton.

Regulation 10. Reviews.

SECTION 1. One review only of the classification of any lot of cotton may be obtained as provided in this regulation.

SECTION 2. The person for whom the classification of any lot of cotton shall have been performed under these regulations may have a review of the clasification of such lot by filing written application therefor before the delivery of such cotton on a section 5 contract and not later than the expiration of the third business day following the date of the issuance of the cotton class certificate for the cotton involved.

SECTION 3. In case no review shall have been previously granted under this regulation for the cotton involved a receiver thereof upon a section 5 contract may have a review of the classification of the cotton involved as shown by a valid cotton class certificate by filing a written application not later than the expiration of the fifth business day following the date of the delivery of such certificate to him in accordance with these regulations

SECTION 4. The written application for a review shall be filed with the board which issued the cotton class certificate covering the cotton involved. Before a review shall be granted the cotton class certificate or certificates covering the cotton involved shall be surrendered to the board.

SECTION 5. Any application for review may be dismissed whenever it shall be found by the chairman of the board or the Chief of the Bureau of Markets that it was filed without good cause or for dilatory purposes.

SECTION 6. The classification of every bale of cotton included in a lot covered by such application shall be reviewed.

SECTION 7. Unless the use of new samples shall be necessary in the judgment of the chairman of the board a review pursuant to this regulation shall be made on the basis of all the samples of the cotton involved in the possession of the board.

SECTION 8. The classification of any bale shown by the original cotton class certificate shall be changed only when it shall appear upon the review that such classification was clearly erroneous.

SECTION 9. If the classification of all the cotton as shown by the cotton class certificates be found to be correct, there shall be placed upon the certificate a notation, which shall be signed by the chairman of the board and dated, to the effect that the classification of the cotton covered by such certificate has been reviewed and determined to be as stated in such certificate. Thereupon the certificate shall be returned to the person who requested the review.

SECTION 10. If the classification of any bale of cotton as shown by the cotton class certificate shall be changed, such certificate shall be cancelled and there shall be issued in lieu thereof a new certificate showing the classification of each bale as determined upon such review. There shall be incorporated in such certificate a statement to the effect that the classification of the cotton covered thereby has been removed and determined to be as stated in such certificate. Such certificate shall bear a new number and the date of its issuance and shall be delivered to the person who requested the review.

SECTION 11. If the determination of a review granted to a receiver of cotton tendered upon a section 5 contract shows cotton previously classed as tenderable to be actually untenderable, the tenderer shall replace the cotton so found to be untenderable. Such replacement shall be made not later than the expiration of the fifth business day following the date of the issuance of the review certificate, by delivering to the receiver other cotton shown to be tenderable by cotton class certificates complying with these regulations which certificates he shall deliver to the receiver.

Regulation 11. Supervision of Transfers of Cotton.

SECTION 1. Whenever the owner of any cotton inspected and sampled for classification pursuant to these regulations, or for which he holds valid cotton class certificates, desires to transfer such cotton to a different place for the purpose of having it

made available for delivery upon a section 5 contract at the place to which it is to be removed, the procedure shall be as outlined in this regulation. Conformity to this procedure shall not be necessary in the case of the transfer of cotton between different warehouses at the same place when such transfer is effected under the supervision of the exchange inspction bureau at such place. In such case the exchange inspection bureau shall report the facts to the board of cotton examiners, in accordance with section 11 of regulation 7.

SECTION 2. The person who made the request for the classification or the holder of the cotton class certificate therefor shall file with the board of cotton examiners with which the classification request was filed or which issued the certificate a written request for the supervision of such transfer. Such request shall be in such form as the Chief of the Bureau of Markets shall prescribe. It shall properly identify the cotton and state the respective locations from and to which the cotton is to be transferred. If the cotton class certificate for such cotton has previously been issued by the board the holder thereof shall surrender such certificate to the board before such transfer shall take place.

SECTION 3. As soon as practicable after the filing of such request a supervisor of cotton inspection or a cotton examiner shall examine each bale of cotton covered by the transfer request, and shall attach to it a metal tag or seal provided for the purpose by the Bureau of Markets.

SECTION 4. Thereupon there shall be issued to the person requesting the same a transfer certificate in form prescribed for the purpose by the Chief of the Bureau of Markets, properly identifying the cotton according to such metal tags or seals, and the other means of identification in the possession of the board, showing the respective locations from which and to which the cotton is to be transferred.

SECTION 5. When the cotton shall have been delivered for storage at the place of its destination the transfer certificate shall be surrendered to the chairman of the board at such place or to such official as the Chief of the Bureau of Markets shall designate for the purpose. Thereupon a supervisor of cotton inspection or a cotton examiner shall examine each bale of cotton covered by such transfer certificate. If he finds that the iden-

tity of the cotton has been properly preserved there shall be issued to the person requesting the same a cotton class certificate or certificates, complying with these regulations, valid for use at such destination, without the reclassification of the cotton.

SECTION 6. Supervision of transfers in accordance with this regulation shall not be granted, nor shall any certificate be issued, with respect to any bale which is found to be in such condition that its classification is different from that shown by the cotton class certificate, unless such bale shall be reinspected and, if necessary, reclassified in accordance with these regulations.

Regulation 12. Costs of Classification and Certification.

SECTION 1. For the classification and certification of cotton pursuant to these regulations, except as otherwise hereinafter provided, whether such cotton be tenderable or not, the person requesting the classification shall pay a fee of thirty cents per bale.

SECTION 2. For each new certificate issued in substitution for a prior certificate at the request of the holder thereof, on account of the breaking or splitting of a lot of cotton covered thereby or otherwise for his business convenience, without the reclassification of the cotton involved, the person requesting such substitution shall pay a fee of fifteen cents when the number of bales covered by the new certificate is ten or less, or a fee of twenty-five cents when the number of bales covered by such certificate is more than ten.

SECTION 3. For each certificate issued on the basis of findings of the Secretary of Agriculture under section 5 of the Act as unamended, without the reclassification of the cotton involved, the person requesting such certificate shall pay a fee of fifteen cents when the number of bales covered by the certificate is ten or less, or twenty-five cents when the number of bales covered by such certificate is more than ten.

SECTION 4. For the review of the classification of any cotton the applicant shall pay a fee of thirty-five cents per bale with a minimum of $3.50 for each lot so reviewed, except that if the classification of more than ten per centum of the bales in any

To be inserted at page 164 of the Book of By-Laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

Amendment to Regulations of the Secretary of Agriculture Under Section 5 of the United States Cotton Futures Act, as amended March 4th, 1919; effective May 17, 1920.

In Regulation 12, amend sections 1 and 2 so as to read as follows:

SEC. 1. For the classification and certification of cotton pursuant to these regulations, except as otherwise hereinafter provided, whether such cotton be tenderable or not, the person requesting the classification shall pay a fee of fifty cents per bale.

SEC. 2. For each new certificate issuel in substitution for a prior certificate at the request of the holder thereof, on account of the breaking or splitting of a lot of cotton covered thereby or otherwise for his business convenience, without the reclassification of the cotton involved, the person requesting such substitution shall pay a fee of twenty-five cents when the number of bales covered by the new certificate is ten or less, or a fee of fifty cents when the number of bales covered by such certificates is more than ten.

To be inserted at page 164 of the Book of By-Laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

Amendment to Regulations of the Secretary of Agriculture Under Section 5 of the United States Cotton Futures Act, as amended March 4, 1919; effective February 16, 1920.

In Regulation 12, amend Section 1 so as to read as follows:

Section 1. For the classification and certification of cotton pursuant to these regulations, except as otherwise hereinafter provided, whether such cotton be tenderable or not, the person requesting the classification shall pay a fee of forty cents per bale.

(To be inserted at page 164 of the Book of By-Laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.)

Amendment to Regulations of the Secretary of Agriculture under Section 5 of the United States Cotton Futures Act, as amended March 4th, 1919, effective on and after April 1st, 1921.

In Regulation 12, amend sections 1 and 7 so as to read as follows:

Sec. 1. For the classification and certification of cotton pursuant to these regulations, except as otherwise hereinafter provided, whether such cotton be tenderable or not, the person requesting the classification shall pay a fee of forty cents per bale.

Sec. 7. When the request for the classification of any cotton shall be withdrawn after the delivery of the samples thereof to the board, but before the classification of such cotton pursuant to such request, the person making the request for the classification shall pay a fee of three cents per bale. This fee shall not apply when the fee of forty cents per bale prescribed by section 1 of this regulation is required.

To be inserted at page 164 of the book of By-laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

AMENDMENT TO REGULATIONS OF THE SECRETARY OF AGRICULTURE UNDER SECTION 5 OF THE UNITED STATES COTTON FUTURES ACT, AS AMENDED MARCH 4th, 1919; EFFECTIVE JUNE 1st, 1921.

In Regulation 12, amend section 1 so as to read as follows:

Sec. 1. For the classification and certification of cotton pursuant to these regulations, except as otherwise hereinafter provided, whether such cotton be tenderable or not, the person requesting the classification shall pay a fee of thirty cents per bale.

(To be inserted at page 164 of the Book of By-laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.)

AMENDMENT TO REGULATIONS OF THE SECRETARY OF AGRICULTURE UNDER SECTION 5 OF THE UNITED STATES COTTON FUTURES ACT, AS AMENDED MARCH 4TH, 1919, EFFECTIVE ON AND AFTER SEPTEMBER 1ST, 1921.

In regulation 12, amend sections 1, 4 and 14 as follows:

Sec. 1. For the classification and certification of cotton pursuant to these regulations, except as otherwise herein after provided, whether such cotton be tenderable or not, the person requesting the classification shall pay a fee of twenty cents per bale.

Sec. 4. For the review of the classification of any cotton the applicant shall pay a fee of twenty-five cents per bale with a minimum of $2.50 for each lot so reviewed, except that if the classification of more than ten per centum of the bales in any lot be changed no fee shall be collected for the review of such lot.

Sec. 14. For the examination of samples and the opinion regarding the classification thereof in accordance with regulation 13, the person requesting the same shall pay a fee of twenty cents for each bale of cotton involved. Payment of such fee shall be made in accordance with section 13 of this regulation to such board of cotton examiners before the issuance of its opinion.

To be inserted at page 165 of the book of By-laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

AMENDMENT TO REGULATIONS OF THE SECRETARY OF AGRICULTURE UNDER SECTION 5 OF THE UNITED STATES COTTON FUTURES ACT, AS AMENDED MARCH 4th, 1919; EFFECTIVE JUNE 1st, 1921.

In Regulation 12, amend section 7 so as to read as follows:

Sec. 7. When the request for the classification of any cotton shall be withdrawn after the delivery of the samples thereof to the board, but before the classification of such cotton pursuant to such request, the person making the request for the classification shall pay a fee of three cents per bale. This fee shall not apply when the fee prescribed by section 1 of this regulation is required.

To be inserted at page 165 of the Book of By-Laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

Amendment to Regulations of the Secretary of Agriculture Under Section 5 of the United States Cotton Futures Act, as amended March 4th, 1919; effective May 17, 1920.

In Regulation 12, amend Section 7 so as to read as follows:

SEC. 7. When the request for the classification of any cotton shall be withdrawn after delivery of the samples thereof to the board, but before the classification of such cotton pursuant to such request, the person making the request for the classification shall pay a fee of three cents per bale. This fee shall not apply when the fee of fifty cents per bale prescribed by Section 1 of this regulation is required.

lot be changed no fee shall be collected for the review of such lot.

SECTION 5. No fee shall be collected for a new certificate issued in lieu of a prior certificate solely for the purpose of correcting clerical errors therein or for the purpose of substituting a new form applicable to outstanding certificates, or without an application therefor.

SECTION 6. For the supervision of the transfer of cotton in accordance with regulation 11, including such new certificates incidental thereto as may be necessary for the delivery of such cotton upon a section 5 contract without its reclassification, the applicant for such transfer supervision shall pay a fee of twenty cents per bale.

SECTION 7. When the request for the classification of any cotton shall be withdrawn after the delivery of the samples thereof to the board, but before the classification of such cotton pursuant to such request, the person making the request for the classification shall pay a fee of three cents per bale. This fee shall not apply when the fee of thirty cents per bale prescribed by section 1 of this regulation is required.

SECTION 8. Samples not removed in accordance with these regulations and loose cotton separated from the samples in the handling and classification thereof by a board shall become the property of the Department of Agriculture. Such cotton shall be disposed of in the manner prescribed for other property by the property regulations of the Department of Agriculture but the proceeds thereof shall be deemed to be part of the cost of classification pursuant to these rgulations. Such proceeds shall be deposited with other moneys received in payment of costs to the credit of the revolving funds provided by the seventh subdivision of section 5 of the Act as amended.

SECTION 9. When the inspection and sampling or the supervision of the transfer of any cotton shall be performed at a place other than that where a board of cotton examiners or supervisor of cotton inspection is regularly located, the person making the request for the classification or the supervision of the transfer of the cotton shall pay, in addition to the costs hereinbefore prescribed, the necessary traveling expenses and subsistence, or per diem in lieu of subsistence, incurred on account of such re-

quest, in accordance with the fiscal regulations of the Department of Agriculture, by the persons employed by the Department of Agriculture to supervise such inspection and sampling or transfer.

SECTION 10. The expense of inspection and sampling, the preparation of the samples, and the delivery of such samples to the classification room of the board of cotton examiners, or other place designated for the purpose by the Chief of the Bureau of Markets or by the chairman of such board, shall be borne by the party requesting the classification of the cotton involved.

SECTION 11. The chairman of the board which rendered the services, or the Chief of the Bureau of Markets, shall deliver bills to all persons from whom payment for fees or expenses on account of such services shall be due. Such bills shall be rendered as soon as practicable after the fifteenth and the last day of each month for amounts due and unpaid on such date. When necessary in the discretion of the chairman of the board or the Chief of the Bureau of Markets, any bill may be rendered at an earlier date for any fees then due by the person to whom such bill shall be rendered. Payment of any such bill shall be made as soon as possible after the rendition thereof, but in any event not later than the expiration of two calendar weeks thereafter.

SECTION 12. If requested by the chairman of the board of cotton examiners with which the classification request is required to be filed or by the Chief of the Bureau of Markets, the person from whom any payment under this regulation may become due shall make an advance deposit to cover such payment in such amount as may be necessary in the judgment of the official requesting the same.

SECTION 13. Any payment or advance deposit under this regulation shall be by check, certified if required by the official rendering the bill, or by draft or post office or express money order, payable to the order of "Disbursing Clerk, Department of Agriculture," and shall not be made in cash.

Amendment to Regulations of the Secretary of Agriculture under Section 3 of the Insecticide Act of 1910, as Amended [illegible] effective November [illegible], 1927.

To be inserted at page 166 of the Book of By-Laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

Amendment to Regulations of the Secretary of Agriculture under Section 5 of The United States Cotton Futures Act, as Amended March 4th, 1919; effective November 6th, 1919.

In Regulation 12, at the end thereof, insert a new section as follows:

SEC. 14. For the examination of samples and the opinion regarding the classification thereof in accordance with regulation 13, the person requesting the same shall pay a fee of 30 cents for each bale of cotton involved. Payment of such fee shall be made in accordance with Section 13 of this regulation to such board of cotton examiners before the issuance of its opinion.

as to show the name and

To be inserted at page 166 of the Book of By-Laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

Regulation 13. Preliminary Informal Sample Classification.

SECTION 1. Whenever the owner of any cotton has under consideration the advisability of tendering the same for delivery on a Section 5 contract, but before finally determining his course of action desires the opinion of a board of cotton examiners as to the classification of samples of such cotton, the procedure shall be as outlined in this regulation. The fees for such service shall be paid in accordance with Section 14 of Regulation 12.

SEC. 2. The owner of the cotton shall, unless and until otherwise directed by the Chief of the Bureau of Markets, file his request for an opinion as to the classification of such samples with the board of cotton examiners at the place where the exchange is located under the rules of which it is contemplated that such tender may be made. In order to relieve the boards of duplicated or unnecessary labor, no other request for the classification of samples of the same cotton shall be filed with either the same or a different board, and whenever the Chief of the Bureau of Markets shall find it necessary to reduce the amount of work imposed upon any board under this regulation any request and samples shall be filed with or transferred to another board in accordance with his directions.

SEC. 3. The request shall be in such form as may be prescribed for the purpose by the Chief of the Bureau of Markets. The request may be withdrawn by the applicant at any time before the examination of the samples by the board of cotton examiners has actually taken place, and may be rejected by the chairman of such board or the Chief of the Bureau of Markets for non-compliance by the owner of the cotton with these regulations or when such request shall appear to have been filed without good cause.

SEC. 4. The owner of the cotton shall cause to be drawn one sample from the top side of each bale and one from the bottom side. Each such sample shall weigh not less than two ounces, the two samples from each bale to weigh together as nearly as possible four ounces. The two samples from each bale shall be placed together, with a coupon or other written means of identification between them. The head of the bale shall be properly inspected and any conditions not fully indicated by the samples shall be specified in a written memorandum which shall accompany the samples to the board of cotton examiners.

SEC. 5. All such samples shall be enclosed in one or more wrappers, which shall be labeled or marked or both in such manner as to show the name and address of the owner, the lot number or marks if any, the number of bales represented by the samples contained in each wrapper, and such other information as may be necessary in accordance with the instructions of the chairman of the board of cotton examiners to which the samples are to be delivered, or of the Chief of the Bureau of Markets. Each sample of sandy or dusty cotton shall be enclosed in a separate wrapper.

SEC. 6. The owner of the cotton shall at his own expense, cause such samples to be delivered at the classification room of the board of cotton examiners with which his request is filed, or at such other place as may be designated for the purpose by the chairman of the board or the Chief of the Bureau of Markets. If requested by such owner, the samples shall be returned to him at his expense when the opinion of the board as to the classification thereof is sent to him or when his request for such classification is withdrawn or rejected; otherwise such samples shall be disposed of in accordance with Section 8 of Regulation 12.

SEC. 7. The examination of samples pursuant to this regulation shall not be allowed to interfere with the regular performance by a board of cotton examiners of other duties imposed upon it by these regulations.

SEC. 8. When the examination of any lot of samples shall have been completed by a board of cotton examiners pursuant to this regulation, the chairman of such board shall send to the person who requested the same the opinion of such board as to the classification of such samples, in a written form prescribed for the purpose by the Chief of the Bureau of Markets. Such opinion shall apply only to the samples described therein and shall not be deemed to be a valid cotton class certificate for the purpose of delivery of such cotton on future contracts, nor shall the submission of such samples in accordance with this regulation in any way relieve the owner of such cotton from compliance with the Act and with regulations other than this regulation.

To be inserted at page 166 of the Book of By-Laws, Rules, etc., of the New Orleans Cotton Exchange—1920 Edition.

Regulation 13. Preliminary Informal Sample Classification.

SECTION 1. Whenever the owner of any cotton has under con-

wrappers, which shall be labeled or marked on both

UNITED STATES

COTTON FUTURES ACT

WITH AMENDMENTS TO MARCH 4, 1919.

(The amendments of March 4, 1919 expressed in italics)

UNITED STATES COTTON FUTURES ACT AS AMENDED MARCH 4, 1919

"That this Act shall be known by the short title of the 'United States Cotton Futures Act.'

"SECTION 2. That, for the purposes of this Act, the term 'contract of sale' shall be held to include sales, agreements of sale, and agreements to sell. That the word 'person', wherever used in this Act, shall be construed to import the plural or singular, as the case demands, and shall include individuals, associations, partnerships, and corporations. When construing and enforcing the provisions of this Act, the act, omission, or failure of any official, agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office, shall, in every case, also be deemed the act, omission, or failure of such association, partnership, or corporation as well as that of the person.

"SECTION 3. That upon each contract of sale of any cotton, for future delivery made at, on, or in any exchange, board of trade, or similar institution or place of business, there is hereby levied a tax in the nature of an excise of 2 cents for each pound of cotton involved in any such contract.

"SECTION 4. That each contract of sale of cotton for future delivery mentioned in section three of this Act shall be in writting plainly stating, or evidenced by written memorandum showing, the terms of such contract, including the quantity of the cotton involved and the names and adresses of the seller and buyer in such contract, and shall be signed by the party to be charged, or by his agent in his behalf. If the contract or memorandum specify in bales the quantity of the cotton involved,

without giving the weight, each bale shall, for the purposes of this Act, be deemed to weigh five hundred pounds.

"SECTION 5. That no tax shall be levied under this Act on any contract of sale mentioned in section three hereof if the contract comply with each of the following conditions:

"First. Conform to the requirements of section four of, and the rules and regulations made pursuant to, this Act.

"Second. Specify the basis grade for the cotton involved in the contract, which shall be one of the grades for which standards are established by the Secretary of Agriculture, except grades prohibited from being delivered on a contract made under this section by the fifth subdivision of this section, the price per pound at which the cotton of such basis grade is contracted to be bought or sold, the date when the purchase or sale was made, and the month or months in which the contract is to be fulfilled or settled: *Provided,* That middling shall be deemed the basis grade incorporated into the contract if no other grade be specified either in the contract or in the memorandum evidencing the same.

"Third. Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the Secretary of Agriculture except grades prohibited from being delivered on a contract made under this section by the fifth subdivision of this section and no other grade or grades.

"Fourth. Provide that in case cotton of grade other than the basis grade be tendered or delivered in settlement of such contract, the differences above or below the contract price which the receiver shall pay for such grades other than the basis grade shall be the actual commercial differences, determined as hereinafter provided.

"Fifth. Provide that cotton that, because of the presence of extraneous matter of any character, or irregularities or defects is reduced in value below that of low middling, or cotton that is below the grade of low middling, or, if tinged, cotton that is below the grade of strict middling, or, if yellow stained, cotton that is below the grade of good middling, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than seven-eights of an inch in length of staple, or

cotton of perished staple or of immature staple or cotton that is 'gin cut' or reginned, or cotton that is 'repacked' or 'false packed' or 'mixed packed' or 'water packed', shall not be delivered on, under, or in settlement of such contract."

Sixth. Provide that all tenders of cotton under such contract shall be the full number of bales involved therein, except that such variations of the number of bales may be permitted as is necessary to bring the total weight of the cotton tendered within the provisions of the contract as to weight; that, on the fifth business day, prior to delivery, the person making the tender shall give to the person receiving the same written notice of the date of delivery, and that, on or prior to the date so fixed for delivery, and in advance of final settlement of the contract, the person making the tender shall furnish to the person receiving the same a written notice or certificate stating the grade of each individual bale to be delivered and, by means of marks or numbers, identifying each bale with its grade.

"Seventh. Provide that all tenders of cotton and settlements therefor under such contract shall be in accordance with the classification thereof made under the regulations of the Secretary of Agriculture by such officer or officers of the Government as shall be designated for the purpose, and the costs of such clasification shall be fixed, assessed, collected, and paid as provided in such regulations. All moneys collected as such costs may be used as a revolving fund for carrying out the purposes of this subdivision, and section ninteen of this act is amended accordingly."

The provisions of the third, fourth, fifth, sixth, and seventh subdivision of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase 'Subject to United States cotton futures Act, section five.'

"The Secretary of Agriculture is authorized to prescribe regulations for carrying out the purposes of the seventh subdivision of this section, and the certificates of the officers of the Government as to the classification of any cotton for the purposes of said subdivision shall be accepted in the courts of the United States in all suits between the parties to such contract, or their privies,

as prima facie evidence of the true classification of the cotton involved."

"SECTION 6. That for the purposes of section five of this Act the differences above or below the contract price which the receiver shall pay for cotton of grades above or below the basis grade in the settlement of a contract of sale for the future delivery of cotton shall be determined by the actual commercial differences in value thereof upon the sixth business day prior to the day fixed, in accordance with the sixth subdivision of section five, for the delivery of cotton on the contract, established by the sale of spot cotton in the market where the future transaction involved occurs and is consummated if such market be a bona fide spot market; and in the event there be no bona fide market at or in the place in which such future transaction occurs, then, and in that case, the said differences above or below the contract price which the receiver shall pay for cotton above or below the basis grade shall be determined by the average actual commercial differences in value thereof, upon the sixth business day prior to the day fixed, in accordance with the sixth subdivision of section five, for the delivery of cotton on the contract, in the spot markets of not less than five places designated for the purpose from time to time by the Secretary of Agriculture, as such values were established by the sales of spot cotton, in such designated five or more markets: *Provided,* That for the purposes of this section such values in the said spot markets be based upon the standards for grades of cotton established by the Secretary of Agriculture: *And provided further,* That whenever the value of one grade is to be determined from the sale or sales of spot cotton of another grade or grades, such value shall be fixed in accordance with rules and regulations which shall be prescribed for the purpose by the Secretary of Agriculture.

SECTION 6A. That no tax shall be levied under this Act on any contract of sale mentioned in section three hereof if the contract provide that, in case cotton of grade or grades other than the basis grade specified in the contract shall be tendered in performance of the contract, the parties to such contract may agree, at the time of the tender, as to the price of the grade or grades so tendered, and that if they shall not then agree as to such price, then, and in that event, the buyer of said contract shall have the

right to demand the specific fulfillment of such contract by the actual delivery of cotton of the basis grade named therein and at the price specified for such basis grade in said contract, and if the contract also comply with all the terms and conditions of section five hereof not inconsistent with this section: *Provided,* That nothing in this section shall be so construed as to relieve from the tax levied by section three of this Act any contract in which, or in the settlement of or in respect to which, any device or arrangement whatever is resorted to, or any agreement is made, for the determination or adjustment of the price of the grade or grades tendered other than the basis grade specified in the contract by any 'fixed difference' system, or by arbitration, or by any other method not provided for by this Act.

Contracts made in compliance with this section shall be known as 'Section six A Contracts.' The provisions of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase 'Subject to United States cotton futures Act, section 6 A.'

Section ten of this Act shall not be construed to apply to any contract of sale made in compliance with section six A hereof.

SECTION 7. That for the purposes of this Act the only markets which shall be considered bona fide spot markets shall be those which the Secretary of Agriculture shall, from time to time, after investigation, determine and designate to be such, and of which he shall give public notice.

SECTION 8. That in determining, pursuant to the provisions of this Act, what markets are bona fide spot markets, the Secretary of Agriculture is directed to consider only markets in which spot cotton is sold in such volume and under such conditions as customarily to reflect accurately the value of middling cotton and the differences between the prices or values of middling cotton and of other grades of cotton for which standards shall have been established by the Secretary of Agriculture: *Provided,* That if there be not sufficient places, in the markets of which are made bona fide sales of spot cotton of grades for which standards are established by the Secretary of Agriculture, to enable him to designate at least five spot markets in accordance with section six of this Act, he shall, from data as to spot sales collected by

him, make rules and regulations for determining the actual commercial differences in the value of spot cotton of the grades established by him as reflected by bona fide sales of spot cotton, of the same or different grades, in the markets selected and designated by him, from time to time, for that purpose, and in that event, differences in value of cotton of various grades involved in contracts made pursuant to section five of this Act shall be determined in compliance with such rules and regulations.

Provided further, That it shall be the duty of any person engaged in the business of dealing in cotton, when requested by the Secretary of Agriculture or any agent acting under his instructions, to answer correctly to the best of his knowledge, under oath or otherwise, all questions touching his knowledge of the number of bales, the classification, the price or bona fide price offered, and other terms of purchase or sale, of any cotton involved in any transaction participated in by him, or to produce all books, letters, papers or documents in his possession or under his control relating to such matter. Any such person who shall, within a reasonable time prescribed by the Secretary of Agriculture or such agent, wilfully fail or refuse to answer such questions or to produce such books, letters, papers or documents, or who shall wilfully give any answer that is false or misleading, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $500."

"SECTION 9. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards of cotton by which its quality or value may be judged or determined, including its grade, length of staple, strength of staple, color, and such other qualities, properties, and conditions as may be standardized in practical form, which, for the purposes of this Act, shall be known as the "Official cotton standards of the United States," and to adopt, change, or replace the standard for any grade of cotton established under the Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine (Thirty-fifth Statutes at Large, page two hundred and fifty-one), and Acts supplementary thereto: *Provided,* That any standard of cotton established and promulgated under this Act by the Secretary of Agriculture shall not be changed or replaced within a period less than one year from and after the date of the promulgation thereof by the Sec-

retary of Agriculture: *Provided further,* That, subsequent to six months after the date section three of this Act becomes effective, no change or replacement of any standard of any cotton established and promulgated under this Act by the Secretary of Agriculture shall become effective until after one year's public notice thereof, which notice shall specify the date when the same is to become effective. The Secretary of Agriculture is authorized and directed to prepare practical forms of the official cotton standards which shall be established by him, and to furnish such practical forms from time to time, upon request, to any person, the cost thereof, as determined by the Secretary of Agriculture, to be paid by the person requesting the same, and to certify such practical forms under the seal of the Department of Agriculture and under the signature of the said Secretary, thereto affixed by himself or by some official or employee of the Department of Agriculture thereunto duly authorized by the said Secretary.

"SECTION 10. That no tax shall be levied under this Act on any contract of sale mentioned in section three hereof, if the contract comply with each of the following conditions:

"*First.* Conform to the rules and regulations made pursuant to this Act.

"*Second.* Specify the grade, type, sample, or description of the cotton involved in the contract, the price per pound at which such cotton is contracted to be bought or sold, the date of the purchase or sale, and the time when shipment or delivery of such cotton is to be made.

"*Third.* Provide that cotton of or within the grade or of the type, or according to the sample or description, specified in the contract shall be delivered thereunder, and that no cotton which does not conform to the type, sample, or description, or which is not of or within the grade specified in the contract shall be tendered or delivered thereunder.

"*Fourth.* Provide that the delivery of cotton under the contract shall not be effected by means of 'set-off' or 'ring' settlements, but only by the actual transfer of the specified cotton mentioned in the contract.

"The provisions of the first, third, and fourth subdivisions of this section shall be deemed fully incorporated into any such

contract if there be written or printed thereon, or on the document or memorandum evidencing the same, at or prior to the time the same is entered into, the words 'Subject to United States cotton futures Act, section ten.'

"This Act shall not be construed to impose a tax on any sale of spot cotton.

"This section shall not be construed to apply to any contract of sale made in compliance with section five of this Act.

"SECTION 11. That the tax imposed by section three of this Act shall be paid by the seller of the cotton involved in the contract of sale, by means of stamps which shall be affixed to such contracts, or to the memoranda evidencing the same, and canceled in compliance with rules and regulations which shall be prescribed by the Secretary of the Treasury.

"SECTION 12. That no contract of sale of cotton for future delivery mentioned in section three of this Act which does not conform to the requirements of the section four hereof and has not the necessary stamps affixed thereto as required by the section eleven hereof shall be enforceable in any court of the United States by, or on behalf of, any party to such contract or his privies.

"SECTION 13. That the Secretary of the Treasury is authorized to make and promulgate such rules and regulations as he may deem necessary to collect the tax imposed by this Act and otherwise to enforce its provisions. Further to effect this purpose, he shall require all persons coming within its provisions to keep such records and statements of account, and may requir such persons to make such returns verified under oath otherwise, as will fully and correctly disclose all transactions mentioned in section three of this Act, including the making, execution, settlement, and fulfillment thereof; he may require all persons who act in the capactiy of a clearing house, clearing association, or similar institution for the purpose of clearing, settling, or adjusting transactions mentioned in section three of this Act to keep such records and to make such returns as will fully and correctly disclose all facts in their possession relating to such transactions; and he may appoint agents to conduct the inspection necessary to collect said tax and otherwise to enforce this Act and all rules and regulations made by him in pursuance

hereof, and may fix the compensation of such agents. The provisions of the internal-revenue laws of the United States, so far as applicable, including sections thirty-one hundred and seventy-three, thirty-one hundred and seventy-four and thirty-one hundred and seventy-five of the Revised Statutes, as amended, are hereby extended, and made to apply, to this Act.

"SECTION 14. That any person liable to the payment of any tax imposed by this Act who fails to pay, or evades or attempts to evade the payment of such tax, and any person who otherwise violates any provision of this Act, or, any rule or regulation made in pursuance hereof, shall be deemed guilty of a misdemeanor, and, upon conviction therefor, shall be fined not less than $100 nor more than $20,000 in the discretion of the court; and, in case of natural persons, may, in addition, be punished by imprisonment for not less than sixty days nor more than three years, in the discretion of the court.

"SECTION 15. That in addition to the foregoing punishment there is hereby imposed, on account of each violation of this Act, a penalty of $2,000, to be recovered in an action founded on this Act in the name of the United States as plaintiff, and when so recovered one-half of said amount shall be paid over to the person giving the information upon which such recovery was based. It shall be the duty of the United States attorneys, to whom satisfactory evidence of violations of this Act is furnished, to institute and prosecute actions for the recovery of the penalties prescribed by this section.

"SECTION 16. That no person whose evidence is deemed material by the officer prosecuting on behalf of the United States in any case brought under any provision of this Act shall withhold his testimony because of complicity by him in any violation of this Act or of any regulation made pursuant to this Act, but any such person called by such officer who testifies in such case shall be exempt from prosecution for any offense to which his testimony relates.

"SECTION 17. That the payment of any tax levied by this Act shall not exempt any person from any penalty or punishment now or hereafter provided by the laws of any State for entering into contracts of sale of cotton for future delivery, nor shall the payment of any tax imposed by this Act be held to pro-

hibit any State or municipality from imposing a tax on the same transaction.

"SECTION 18. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated for the fiscal year ending June thirtieth, ninteen hundred and sixteen, the unexpended balance of the sum appropriated by the Act of March fourth, nineteen hundred and fifteen (Thirty-eighth Statutes at Large, page one thousand and seventeen), for 'collecting the cotton futures tax,' or so much thereof as may be necessary, to enable the Secretary of the Treasury to carry out the provisions of this Act and any duties remaining to be performed by him under the United States cotton futures Act of August eighteenth, nineteen hundred and fourteen (Thirty-eighth Statutes at Large, page six hundred and ninty-three).

"SECTION 19. That there are hereby appropriated out of any moneys in the Treasury not otherwise appropriated, available until expended, the unexpended balance of the sum of $150,000 appropriated by section twenty of the said Act of August eighteenth, nineteen hundred and fourteen, and for the fiscal year ending June thirtieth, nineteen hundred and sixteen, the unexpended balance of the sum of $75,000 appropriated for the 'Enforcement of the United States cotton futures Act' by the Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and sixteen (Thirty-eighth Statutes at Large, page one thousand and eighty-six), or so much of each of said unexpended balances as may be necessary, to be used by the Secretary of Agriculture for the same purposes, in carrying out the provisions of this Act, as those for which said sums, respectively, were originally appropriated, and to enable the Secretary of Agriculture to carry out any duties remaining to be performed by him under the said Act of August eighteenth, nineteen hundred and fourteen. The Secretary of Agriculture is hereby directed to publish from time to time the results of investigations made in pursuance of this Act. All sums collected by the Secretary of Agriculture as costs under section five, or for furnishing practical forms under section nine, of this Act, shall be deposited and covered into the Treasury as miscellaneous receipts.

"SECTION 20. That sections nine, eighteen, and nineteen of this Act and all provisions of this Act authorizing rules and

regulations to be prescribed shall be effective immediately. All other sections of this Act shall become and be effective on and after the first day of the calendar month next succeeding the date of the passage of this Act: *Provided,* That nothing in this Act be construed to apply to any contract of sale of any cotton for future delivery mentioned in section three of this Act which shall have been made prior to the first day of the calendar month next succeeding the date of the passage of this Act.

"SECTION 21. That the Act entitled 'An Act to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes,' approved August eighteenth, nineteen hundred and fourteen (Thirty-eighth Statutes at Large, page six hundred and ninety-three), is hereby repealed, effective on and after the first day of the calendar month next succeeding the date of the passage of this act: *Provided,* That nothing in this Act shall be construed to effect any right or privilege accrued, any penalty or liability incurred, or any proceeding commenced under said Act of August eighteenth, nineteen hundred and fourteen, or to diminish any authority conferred by said Act on any official of the United States necessary to enable him to carry out any duties remaining to be performed by him under the said Act, or to impair the effect of the findings of the Secretary of Agriculture upon any dispute referred to him under said Act, or to effect any right in respect to, or arising out of any contract mentioned in section three of said Act, made on, or subsequent to February eighteenth, nineteen hundred and fifteen, and prior to the first day of the calendar month next succeeding the date of the passage of this act, but so far as concerns any such contract said Act of August eighteenth, nineteen hundred and fourteen, shall remain in force with the same effect as if this Act had not been passed.

"SECTION 22. That if any clause, sentence, paragraph, or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not effect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered."

COTTON SEED AND COTTON SEED PRODUCT RULES

RULES GOVERNING BUSINESS IN COTTON SEED AND COTTON SEED PRODUCTS

COMMITTEE ON COTTON SEED AND COTTON SEED PRODUCTS.

ITS DUTIES AND FUNCTIONS.

RULE 1. There shall be a committee of five members of the New Orleans Cotton Exchange, to be appointed by the Board of Directors, and subject thereto, who shall have general charge of all matters relating to the business in cotton seed and cotton seed products.

It shall be the duty of said Committee:

(a) To recommend from time to time to the Board of Directors such measures as they may deem necessary for the welfare and promotion of the business in cotton seed and cotton seed products.

ARBITRATIONS.

(b1) It shall be the duty of said Committee to serve as an Arbitration Committee, which shall take cognizance of and decide all questions or differences referred to it relating to cotton seed or cotton seed products, and its decisions as arbitrators shall be final, whether the parties be members of the New Orleans Cotton Exchange or non-members, who have agreed in writing to submit to such decisions.

(b2) When serving as arbitrators, or otherwise, three (3) of said Committee shall constitute a quorum.

(b3) No member of the Committee shall serve as an arbitrator who is or may be directly or indirectly interested in the matter at issue.

(b4) The Committee shall appoint one or more inspectors to carry out its instructions.

(b5) Each arbitrator acting on any one case shall be paid Five ($5) Dollars for such case, and inspection fees shall be allowed as follows:

On Oil—Two and one-half cents (2½c) per barrel.

On Cake and Meal—Two Dollars ($2) per car for one or two cars; One Dollar ($1) per car from three to five cars, inclusive, and Fifty Cents (50c) per car for each and every car in excess of five cars.

On Cake and Meal by Boat—The fees shall be in the same proportion as allowed for inspection by cars, and twenty tons of cake or meal by boat shall be considered as equivalent to a car.

The arbitrators, in their award, shall decide by whom the expenses of arbitration shall be paid.

PRIVATE SETTLEMENTS.

(b6) Nothing in these Rules shall be construed as preventing private settlements by mutual agreement of both parties to a transaction.

QUOTATIONS.

(c) It shall be the duty of the Committee on Cotton Seed and Cotton Seed Products to furnish at such times as it may deem necessary and proper, quotations of cotton seed, cotton seed meal, cake, oil and linters, which shall be posted in the Exchange rooms.

GENERAL RULES.

Rule 2. All offers, sales or purchases of cotton seed oil (or other cotton seed products) shall be understood, unless specified to the contrary, to be F. O. B. cars at the mill, and on the basis of prime quality. Unless specifically stated, oil shall be considered as sold loose, and the buyer shall furnish tank cars.

Rule 3. All sales of cotton seed products, unless otherwise specified, shall be for cash, payment to be made by resident buyers, on presentation of invoice with railroad ticket signed, or bill of

lading attached, showing delivery of goods to the carrier, in good order.

RULE 4. Payment of non-resident buyers shall be by sight or demand draft, with bill of lading attached, showing delivery of goods to the carrier in good order, unless otherwise agreed. Exchange not to exceed one-fourth of 1 per cent. on F. O. B. mill purchases.

RULE 5. When goods are delivered to the carrier as agreed, whether in whole or partial completion of trade, payment for same shall become due, if presented during banking hours, and all risks belong to the buyer.

RULE 6. On all sales of cotton seed products to or through regular brokers, the seller shall pay the brokerage unless otherwise specially agreed.

RULE 7. On all trades by telegraph, day messages requiring day answer shall be open until 12 midnight of the day on which sent. Night messages shall be open till noon following the night on which sent. The time when telegrams are filed in telegraph office sending same, to govern, and this rule to apply only when no specific time is stated in the original offer.

RULE 8. Rules governing trades in cotton seed products are only applicable in the absence of a specific written contract stating special conditions, but either party to a trade may demand a formal written or printed contract as soon as the trade is completed. Such contracts, unless specially excepted, being subject to all the Rules of the New Orleans Cotton Exchange.

RULE 9. All sales in cotton seed products shall be either immediate, prompt, or specified dates of delivery.

(1) Immediate shall be within five working days.

(2) Prompt shall be within ten working days.

(3) Specified dates according to contract.

In all cases the bill of lading shall be evidence of date of shipment from country mills.

BUYER'S TANKS.

RULE 10. In case the buyer furnishes tank cars, shipments of same by buyers shall be as follows:

(1) Immediate shipment, within five days.

(2) Prompt shipment, within ten days.

(3) Specified shipment shall be in such time that, under ordinary course of transportation, cars shall reach seller in time to allow him to make delivery as per contract.

RULE 11. If more than one tank car is to be furnished for the same delivery, under one transaction, the first car only shall be shipped as above, and the balance shall follow as rapidly as the seller can, with certainty, load the same.

Seller shall, in all cases, load cars within forty-eight hours of arrival at destination.

TIME CONTRACTS.

RULE 12. When a time contract is made for any one of the products of a mill, with a date specified for the expiration, and the quantity or quality, or both, are not stipulated, it is understood to be for all the possible output of the particular products named, that can be made from seed worked up to midnight of the last day named in the contract; the whole to be put in proper condition for shipment as speedily as possible after the date of expiration of contract.

RULE 13. In all time contracts it is understood that the mill is to run to its full capacity and to use every means known to produce goods of the quality stipulated when so named, and if failure to do either or both of these appears intentional, then both actual and consequential damages may be awarded by the Arbitration Committee.

In case mill burns, the contract is void, except in regard to goods on hand, in warehouse, etc.

CLAIMS.

RULE 14. All claims against shipments of cotton seed products must be made within ten days after their arrival at American point of destination, except the products for export, in which case thirty days shall be allowed.

RULE 15. All sales made F. O. B. New Orleans shall be considered closed and seller free from all liability upon furnishing to buyer clean receipts from vessel, buyer having had the privilege of inspection before loading, or, if buyer accepts goods, delivery shall be considered as having been made.

On C. I. F., or delivery contracts to exporters, no claim from any foreign market will be entertained without the proper samples of the goods are taken and preserved previous to their leaving the American shore, unless samples are drawn before removal from foreign dock, and such samples are taken in accordance with the Rules of the Exchange or Board of Trade of the port of delivery.

RULE 16. All claims to brought before the Committee of the New Orleans Cotton Exchange must be accompanied by an affidavit from a reliable party, substantially in the following form, describing and identifying the samples submitted as taken from and fairly representing the entire shipment.

FORM OF CLAIM.

RULE 17.

I, the undersigned, do hereby make affidavit that I have drawn fair and true samples from.....
package of.....being not less than.....per cent. of the entire number of packages embraced in a shipment made by.....
.....from....., as evidenced by bill of lading dated.....and issued by.....

The samples were carefully taken so as to secure a fair representation of the contents of the individual package, and a true average of the quality of the entire shipment.

I certify to the correctness of the samples, which are marked as follows: .....
and which represent the shipment marked or identified as follows: ..... or contained in.....

Sworn to before me.....

CRUDE COTTON SEED OIL.

MEASUREMENT.

RULE 18. A tank (tank car) of cotton seed oil for contract purposes shall be one hundred and sixty barrels. A barrel of oil, if sold loose, of fifty gallons. A gallon of oil is 7½ pounds avoirdupois.

RULE 19. Crude cotton seed oil may be sold either loose or in barrels as agreed between seller and buyer. If in barrels, they shall be good, hardwood, iron-bound barrels, either new or second-hand, as may be agreed upon. Packages must be in good shipping order, and contain not less than 48 gallons each. On delivery of other than the above barrels, an allowance of fifty cents per barrel shall be made by seller.

CLASSIFICATION.

RULE 20. Crude cotton seed oil shall be classed and graded as follows: Choice crude must be made from sound decorticated seed; must be sweet in flavor and odor, light in color, free from water and settlings, and test not over 1 per cent. F. F. A.; shall produce, when properly refined, choice Summer Yellow Oil, at a loss in weight not exceeding 6 per cent. for Texas oil, and at a normal loss for oil from all other parts of the country.

RULE 21. Prime Crude.—Crude cotton seed oil to pass as prime must be made from sound decorticated seed, must be sweet in flavor and odor, free from water and settlings, and must produce prime Summer Yellow grade, by the usual refining methods, with a normal loss in weight; provided, the oil shall not be rejected for a nominal amount of settlings, but reasonable reduction shall be made in value for all such settlings in excess of ¼ of 1 per cent. F. F. A., not to exceed 1½ per cent.

RULE 22. Off Oil.—All oil, neither choice nor prime, shall be called "off" oil and shall be sold by sample.

REFINED COTTON SEED OIL.

RULE 23. Refined cotton seed oil shall be classed and graded as follows: Summer Yellow only being considered.

RULE 24. Choice.—Must be sweet in flavor and odor, prime in color, of light straw-color, clear and brilliant in appearance, free from moisture, and must bleach to a choice white.

RULE 25. Prime.—Must be clear, sweet in flavor and odor, and of yellow color, not reddish, free from water and settlings and of no deeper color than 35 yellow, 7.6 red on Lovebond's equivalent color scale.

RULE 26. Off.—To be classed as off refined. All oils having any objectionable flavor or odor.

Off Yellow Oil.—To be of a yellow, and not a reddish color.

SOAP STOCK.

RULE 27. All sales, unless otherwise agreed upon by buyer and seller, are sold on a basis of fifty per cent., fatty acid not to fall below forty per cent. If containing less than forty per cent. of fatty acid, soap stock shall not be considered merchantable. Delivery to be made in iron-bound, hardwood packages or tank cars.

COTTON SEED CAKE.

RULE 28. A ton of Cotton Seed Cake for export is 2,240 pounds, unless otherwise agreed.

RULE 29. Cotton Seed Cake shall be graded and classed as follows:

Choice Cake.—Must be bright yellow in color, sweet in odor, soft and friable in texture, not burnt in cooking, without excess of hulls, and must produce, when properly ground, a bright meal of deep canary color and shall contain not less than 47 per cent of combined protein and fat.

RULE 30. Prime Cake—Must be of good yellowish color, not brown or reddish, sweet in odor, firm, but not flinty in texture, free from excess of hulls, and must produce, when properly ground a prime meal and shall contain not less than 43 per cent of combined protein and fat. (See Rule 32.)

RULE 31. Off Cake—All grades of Cotton Seed Cake which are distinctly off in color, taste or odor, or cake which has been improperly manufactured so as to incorporate in it a very large percentage of lint or hulls, or to produce an exceedingly hard, flinty texture.

Light yellow colored and dark greenish-yellow colored cake packed in same bags or included in one shipment, shall not be considered as prime.

RULE 32. Cotton Seed Cake, unless otherwise specified, shall be packed in good, strong, sound Dundee bags, either new or second-hand, at the option of the seller, unless specified in the contract. Packages must be well sewed and in good shipping order.

COTTON SEED MEAL.

RULE 33. A ton of cotton seed meal for export is 2,240 pounds, unless otherwise stated. A sack of cotton seed meal is 100 pounds gross weight.

Cotton Seed Meal shall be classed and graded as follows:

RULE 34. Choice—Must be the product from choice cotton seed cake when finely ground; must be perfectly sound, sweet and light yellow color (canary), free from excess of lint and hulls and shall contain not less than 47 per cent of combined protein and fat.

RULE 35. Prime—Must be made from prime cake, finely ground, of sweet odor, reasonably bright in color, yellow, not brown or reddish, and free from excess of lint or hulls and shall contain not less than 43 per cent of combined protein and fat.

RULE 36. Off—Any Cotton Seed Meal which is distinctly deficient in any of the requirements for prime quality, either in color, odor, or texture, or all.

RULE 37. Cotton Seed Meal—Shall be packed in good, sound Cental or Laplata bags, either new or second-hand (except where otherwise stipulated for packages designed for export in kilo or other bags), 100 pounds weight, which must be well sewed and in good shipping order.

COTTON SEED.

RULE 38. A ton of cotton seed is 2,000 pounds. A carload of cotton seed is fifteen tons.

RULE 39. Cotton seed shall be divided into two classes Prime seed and off seed.

RULE 40. Prime Seed—Shall be clean, dry, sound seed, free from dirt, trash and bolls.

RULE 41. Off Seed—Seed not coming up to the requirements of Prime Seed shall be considered Off Seed. Off or damaged seed shall be settled for on its merits and comparative value as against value of standard Prime Seed.

RULE 42. Delinted Seed—A ton for export is 2,240 pounds. The seed shall be properly delinted, sound, and made of prime seed; shall be packed in good, strong, sound bags.

RULES FOR EXPORT TRADE.

RULE 43. All contracts of cotton seed products shall be understood, unless specified to the contrary, to be based upon ship-side delivery at railroad dock terminals with the payment against carrier's bill of lading. Cost of discharging cars, if not included in rate of freight, to be deducted from invoice.

RULE 44. Contracts based on terms F. O. B. steamer shall be construed as meaning payment against clean ship receipts.

RULE 45. On all contracts made delivered ex-levee, ex-cars, shipside or F. O. B. steamer, seller is responsible to buyer for weights at railroad dock terminals or discharging point, it being optional with buyer to have weights tested by public weigher, and should any deficiency be found, seller shall make such deficiency good and pay the expenses of re-weighing. Same to be done within three (3) weather working days after unloading of cars.

RULE 46. All claims on account of quality on shipments of cotton seed products must be made within thirty days of notice of arrival of cars.

RULE 47. Unless mutually agreed upon, samples shall be drawn by the official Inspector of the New Orleans Cotton Exchange.

RULE 48. In case shipments should not be up to contract quality, the buyer shall have the option of rejecting entirely or taking delivery at an allowance to be fixed by arbitration, but seller shall have the right to replace, provided this be done within forty-eight hours, failing which buyer shall have the privilege of replacing for account of the seller.

RULE 49. Oil in barrels, if necessary, shall be coopered and weighed at port of loading at expense of seller.

RULE 50. Barrels for export must not contain less than fifty gallons each.

GENERAL RULES

GENERAL RULES

FORM OF SEAL.

RULE 1. The corporate seal of this Exchange shall consist of the device of a bale of cotton bound with six hoops, and surrounded by the words, "NEW ORLEANS COTTON EXCHANGE," in a circle.

MEMBERSHIP AND STOCK.

RULE 2. Any member-elect or visiting member-elect failing to pay his dues, within ten days after official notification of his election, shall be considered as suspended until such time as he shall have paid them.

An amount equal to the Initiation Fee must be deposited with the Treasurer of the Exchange by all applicants for membership at the time of making application. Should the application not be approved by the Committee on Membership or the Board of Directors, or should the applicant not be elected, the amount so deposited shall be returned to the applicant.

Applications not accompanied by deposit as above set forth will not be considered.

In event of withdrawal by an applicant, after election, the amount deposited with the application shall be forfeited to the Exchange.

Visiting members failing to pay the annual dues by or before the 25th of November shall be dropped from the Exchange list.

RULE 3. Members in arrears are not allowed to vote.

RULE 4. SECTION 1. Any partner of a deceased member, after being duly elected a member of the Exchange, will be admitted to the privileges thereof on payment of the initiation fee as provided in the Constitution on signing the Constitution and procuring a share of stock in the Exchange, to be held in his own name, and

against the annual dues of the current year chargeable to him, will be entitled to a credit for the dues already paid for the unexpired portion of said current year by his deceased partner.

SEC. 2. Any member failing to comply with the following requirements may, on recommendation of the Committee on Membership, be suspended by the Board of Directors from membership of the Exchange:

All members of the Exchange having general, special or any other kind of partners must file with the Superintendent a memorandum thereof, together with a statement of their place or places of business. Notices of subsequent changes in partnership or of discontinuance of partnership must be filed within five days with the Superintendent, and such notice shall be posted on the bulletin of the Exchange for ten days after the date of filing.

The Superintendent, upon receipt of notification of the formation of new partnerships or of changes in existing partnerships, shall submit the same to the Committee on Membership for its consideration and recommendations.

Whenever it shall appear that a member has, or has formed, a partnership or established a branch office whereby the interests or good repute of the Exchange has suffered or may suffer, the Board of Directors may, on recommendation of the Committee on Membership, require the immediate dissolution of such partnership or discontinuance of such branch office.

RULE 5. All withdrawals of members, whether by resignation, suspension or otherwise, must be promptly posted in the Exchange rooms; and when resignations are tendered either formally or by transfer of stock, the party so resigning shall not, pending action by the Board of Directors upon the resignation, be entitled to any of the rights or privileges of membership.

RULE 6. No employee of any local firm, or firm with an office in New Orleans, is eligible to represent any out-of-town member of the Exchange not a member of such firm, as power of attorney or

No. 16.

AMENDMENT TO RULE 4 OF THE GENERAL RULES OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors, August 3, 1921; Posted August 3, 1921; effective August 13, 1921).

Amend Rule 4, of the General Rules, (page 194—1920 Edition) by addition of the following as Section 5, viz:

Sec. 5. Any member of this Exchange who becomes a member of or who transacts business directly or indirectly for himself or for any member of an exchange or Board of Trade or similar institution permitting contracts for future delivery of cotton in units of less than 100 bales, shall upon conviction thereof, be deemed to have committed an act or acts detrimental to the welfare of this Exchange; it being understood that the contracts above referred to are not to include contracts known as Free on Board Contracts or contracts of cotton "to arrive."

The penalty for violating or evading or seeking, offering, proposing, promising or agreeing to violate or evade this rule in any way, shape or manner whatsoever, whether by an agreement, arrangement or understanding, expressed or implied, either directly or indirectly, in person or through any firm or co-partnership of which a member may be or appear to be a partner or through any agent or agents, or otherwise, shall be, upon conviction:

(a) For the first offense, suspension for a period of not less than six nor more than twelve months, the term of suspension to be fixed at the discretion of a majority of the Board of Directors present at a meeting thereof.

(b) For the second offense, expulsion.

Charges under this rule may be filed by any officer or member of this Exchange.

clerk, on the floor of the Exchange, except on payment of dues as prescribed in Section 3 of Article 16 of the By-Laws.

Powers of attorney given by members to their clerks, under Article 16 of the By-Laws, to visit the Exchange rooms during the absence or sickness of the member, shall not be recognized unless the person to whom same is given is of legal age.

NOTICES AND VISITING CARDS.

RULE 7. No notice shall be posted upon the Exchange boards except by the Superintendent or by his assistants.

RULE 8. All writing or pencil-marking on the books or records of the Exchange, by members, or others not employed in the Superintendent's office, is positively prohibited.

Nor shall articles of any kind, including cotton plants, bolls, specimens of crops, agricultural implements, models thereof, etc., etc., be introduced into or exhibited on the Exchange floor without the consent of the President.

Documents not appertaining to Exchange matters shall not be exposed in the rooms for signature without consent of the President.

Members of the Exchange are prohibited from using the Exchange office, except on official business with officers of the Exchange.

RULE 9. Employees in the Superintendent's office are not allowed to furnish information from the Exchange boards to members through their clerks.

RULE 10. Visitors' tickets to the rooms of the Exchange, except as hereinafter provided for, shall be good for not more than ten days, and shall not be renewed except after an interval of sixty days' absence from the city of the holders thereof. Cards of admission for shipmasters may be extended ten days at a time, for a period not exceeding thirty days, the extensions to be entered on the visitors' register. All cards must be issued from the Secretary's office, and only on request of a full member.

The names of all visitors to the Exchange shall be entered on the visitors' register.

At the written request of ten members, the President shall revoke any visitor's card, but written notice thereof must be sent the party at whose request the card was issued, in order that he may have an opportunity to withdraw same.

RULE 11. The President is authorized to issue visitors' tickets to residents of the city, and to extend complimentary invitations to visit the Exchange at any time, to any person, and for any period he may deem proper.

RULE 12. No cards of admission to the Exchange rooms shall be granted to applicants for membership or visiting membership during the pendency of their applications, unless specially issued by the President of the Exchange.

STANDING COMMITTEES.

RULE 13. The Board of Directors shall, in addition to the committees provided for by Section 3 of Article 3 of the By-Laws, appoint the following standing committees.

A Committee on Insurance, to consist of five members of the Exchange, who shall be authorized to confer with committees of the Board of Underwriters, on matters relating to the insurance of cotton in transit to this port, and, in conjunction with the former, to determine from time to time the valuation of cotton for insurance.

A Committee on Supervision and Deliveries, to consist of the President *ex-officio,* at least one member of the Board of Directors, who shall be Chairman, and four members interested in the trade.

A Floor Committee, to consist of seven members, whose duty it shall be to maintain order on the floor of the Exchange, and to perform such other functions as are provided for in the Rules of order and the Future Contract Rules.

A Committee on Exchange Quotations, to consist of three members.

A Committee on Protection of Shipping, to consist of seven members.

A Committee on Rules, to consist of five members.

A Committee on Futures, to consist of nine members.

An Appeal Committee on Classification, to consist of seven members.

A House Committee, subject to the Board of Directors, to consist of three (3) members, who shall have general charge of the Exchange rooms and make such changes and alterations as may be for the convenience and comfort of members, including rental and of allotment of rental booths and supervision of telephone booths, etc., and other matters in reference to Exchange Rooms and offices, not in conflict with the duties of the Floor Committee, whose jurisdiction embraces maintenance of order and conduct of members under the rules.

A Freight Dicsrimination Committee, to consist of eight members.

A Weather Committee, to consist of three members, who shall report daily, in writing, the condition of the weather to govern deliveries of cotton from depots.

A Supervisory Committee, to consist of five members.

The Committee on Information and Statistics shall act as Meteorological Committee, whose duty shall be to co-operate with the U. S. Weather Bureau, and who shall, from time to time, make such suggestions to the Board of Directors as may, in their opinion, conduce towards perfecting the information obtained by the Exchange in their department.

A Committee on Commissions, to consist of five members, at least one of whom shall be a member of the Board of Directors and Chairman of the Committee. Said Committee to be charged with the consideration and decision of all questions that may arise under

the Commission Law, subject to approval of the Board of Directors. Said Committee to examine and present to the Committee on Membership information of any violation of the Commission Law.

A Committee on Legislation, to consist of four members, whose duties shall be to watch the interests of the Exchange in matters of legislation, either State or Federal.

SEC. 2. A Committee shall be appointed by the Board of Directors to be styled the *General Arbitration Committee,* which shall have the settlement of all claims arising from transactions between members (subject only to the right of appeal to the General Appeal Committee, as hereinafter set forth), excepting such as are provided for in the first paragraph of Articles IX and XIV of the By-Laws, and such as may arise from questions of classification of cotton.

All claims before said General Arbitration Committee and answers thereto shall be submitted in writing, and the opposite party shall have a reasonable time in which to make reply (not less than five or more than ten days), and both parties shall have the right to have summoned before the Committee such witnesses as they may desire to have examined in their behalf. It being provided that no claim shall be considered by said Committee unless notice in writing of such claim and of the intention to demand an arbitration thereon has been served by either party upon the opposite party or parties thereto within fifteen days from the discovery thereof.

The decisions of said General Arbitration Committee shall be binding, subject only to an appeal to the General Appeal Committee, which appeal shall be made within three (3) business days after notice has been received of such decision, accompanied by a certified copy of same.

Each arbitrator acting on any one case shall be paid Five Dollars ($5) for such case, and the arbitrators in the award shall decide by whom the expenses of the arbitration shall be paid.

No. 20

AMENDMENT TO RULE 13 OF THE GENERAL RULES OF THE NEW ORLEANS COTTON EXCHANGE

(Adopted by the Board of Directors December 20th, 1921; Posted December 22nd, 1921; effective January 2nd, 1922)

Amend Section 1 of Rule 13 of the General Rules, page 198, 1920 Edition, by adding at the end thereof the following:

A COMMITTEE ON AGRICULTURE AND COTTON PEST MENACE, to consist of Nine (9) members, whose duty it shall be to confer with State and Federal authorities regarding agricultural matters and the menace of ravages of pests affecting cotton.

Said General Arbitration Committee shall consist of seven members, a majority of whom shall constitute a quorum.

SEC. 3. *A General Appeal Committee* shall be appointed by the Board of Directors, and shall consist of five (5) members of the Exchange, three (3) of whom shall constitute a quorum for the purpose of hearing and deciding such matters as may be submitted to it on appeal from decision of the General Arbitration Committee.

All expenses attending such appeal, unless otherwise decided by said General Appeal Committee, shall be borne by the party whose claim differs most from the final award, including costs of arbitration appealed from, and a fee of Five Dollars ($5) for each member of said General Appeal Committee acting on such appeal.

RULE 14. The President is authorized to make such appointments as may be necessary to create a quorum in any committee lacking such quorum by reason of the absence of members thereof from the city.

The President is also authorized to fill temporary vacancies in any committee due to sickness, absence from the city or vacancies from any other cause.

RULE 15. SEC. 1. The Finance Committee shall, in making loans, stipulate that in case of the depreciation of collaterals they shall call for additional securities or money to make good the original margin, and, in case such additional margin is not furnished, the loan shall be considered as matured, and the Treasurer shall be authorized to sell the securities in his hands and apply the proceeds of same to the payment, in full or in part, of said loan.

SEC. 2. The Chairman or Acting Chairman of the Finance Committee and the Treasurer or Acting Treasurer shall jointly have access to and control over the Bank Safes rented by this Exchange, and whenever it shall be necessary to deposit securities or other valuables or papers belonging to or held by the Exchange in said Bank Safes, or to remove such securities or papers from said safes,

it can only be done jointly by the persons above provided. No other parties shall under any circumstances have access to the Bank Safes rented by the Exchange.

COMPOSITION OF COMMITTEE ON SPOT QUOTATIONS, QUOTATIONS OF SPOT MARKET.

RULE 16. The Committee on Spot Quotations shall make up the official spot market of the Exchange daily, except on Saturdays, at 2 P. M., and on Saturdays at 11 A. M.

The Committee on Spot Quotations shall quote the following grades and half grades:

Standard Cotton; Full Grades: Low Ordinary, Ordinary, Good Ordinary, Low Middling, Middling, Good Middling, Middling Fair, and Fair.

Half Grades: Strict Good Ordinary, Strict Low Middling, Strict Middling, Strict Good Middling, and Middling Fair to Fair.

Said Committee on Spot Quotations shall include in their daily reports the differences in values of the grades enumerated above for Off Colored, Spotted, Yellow Light Tinged, Yellow Tinged, Blue Stained, Yellow Light Stained, and Yellow Stained.

The Spot Quotation Committee shall state in their report that their quotations are based on the official Cotton Standards of the United States, and are for short staples or upland cotton.

Information given by brokers or others of their daily purchases or sales shall be considered confidential insofar as the names of the parties thereto are concerned.

RULE 17. The statements of daily receipts of cotton at this port shall include all arrivals prior to 12 M., allowing one hour for the delivery of manifests of boats arriving prior to 12 M.; no boat shall be considered as having arrived until moored to the levee.

RULE 18. SECTION 1. Any member of the New Orleans Cotton Exchange who shall be interested in or associated in business

with, or who shall act as the representative of, or shall knowingly execute any order or orders for the account of any organization, firm or individual engaged in the business of dealing in differences on the fluctuations of the market price of cotton—commonly known as a bucket-shop—or for any one acting as agent for such organization, firm, corporation or individual, without a *bona fide* purchase and sale of property for an actual delivery, shall be deemed guilty of unmercantile conduct, which renders him unworthy to be a member of the Exchange, and upon conviction thereof shall be expelled from membership in the Exchange.

SEC. 2. Any member of the Exchange may, on recommendation of the Committee on Membership to the Board of Directors, for the first offense be fined not to exceed $250; for the second offense be suspended from the rights of membership for a term not exceeding one year, or may be expelled from membership of the Exchange, for publishing or permitting to be published, in his own name or that of his firm, or that of any of his partners, employees or agents, in newspapers, circulars, or otherwise, any advertisement that contains any mis-statement of facts or is otherwise calculated to mislead the public, whether by direct or implied misrepresentation, or unfair concealment of facts, or that contains a request for money to be sent as margin for operating on discretionary orders, or any other matter that shall tend to bring discredit on the business of dealers or brokers in cotton, or upon the Exchange, or that shall have been disapproved by a majority of the Committee on Membership after such member shall have had an opportunity to be heard.

RULE 19. Committees certifying to the election or non-election of applicants for membership shall report for posting in the Exchange only the fact whether or not the parties are elected, without giving the number of votes "for" or "against," but said votes shall be certified to for information of the Board of Directors, and made known to members only when desired.

RULE 20. No continuous quotations of the New Orleans cotton future market shall be sent out from the floor of the New Orleans Cotton Exchange, unless the party who sends said quotations shall have first applied and received the written permission of this Exchange; the said party furnishing names and addresses of recipients and such other particulars as may be required, under the same penalty for violation that applies under Rule 18.

"Continuous Quotations," under this Rule, are quotations wherein the price of cotton shall be quoted oftener than at intervals of fifteen minutes.

RULES OF ORDER

No. 14

AMENDMENT TO RULE 3 OF THE RULES OF ORDER OF THE NEW ORLEANS COTTON EXCHANGE.

(Adopted by the Board of Directors May 4th, 1921; Posted May 4th, 1921; effective May 14th, 1921.)

Add at the end of Rule 3 the following:

Provided that on recommendation of the Floor Committee, the Committee on Membership shall investigate altercations or other misconduct between members and may in addition to fines imposed by the Floor Committee recommend to the Board of Directors suspension from the privileges of membership, or expulsion from membership in the Exchange.

The Rule as amended will read as follows:

Rule 3. Said Floor Committee shall fine any member using obscene language or epithets to or of another on the floor of the Exchange, and any parties who may engage in a personal altercation on the floor of the Exchange, the sum of Fifty (50) Dollars for each offense, with the privilege of increasing same—said increase, however, to be subject to approval by the Board of Directors.

Provided that on recommendation of the Floor Committee, the Committee on Membership shall investigate altercations or other misconduct between members and may in addition to fines imposed by the Floor Committee recommend to the Board of Directors suspension from the privileges of membership, or expulsion from membership in the Exchange.

RULES OF ORDER

GENERAL RULES.

RULE 1. The Floor Committee shall have general charge of the floors of the Exchange for the maintenance of order and decorum, and for the prevention of angry disputes and difficulties between members while on said floors.

RULE 2. Said Floor Committee are authorized and empowered to institute fines for violation of decorum, at their discretion, from $5 to $25 for each offense, the same to be final.

RULE 3. Said Floor Committee shall fine any member using obscene language or epithets to or of another on the floor of the Exchange, and any parties who may engage in a personal altercation on the floors of the Exchange, the sum of Fifty (50) Dollars for each offense, with the privilege of increasing the same—said increase, however, to be subject to approval by the Board of Directors.

RULE 4. Said Committee may, in their discretion, fine any member or members from $5 to $100 for each offense for marking in any manner with chalk or otherwise on the Exchange boards, or for altering any figures thereon, or in any way whatever interfering with said boards, or for placing any document, circular or other paper on said boards, it being understood said boards are under the exclusive control of the President and Superintendent of the Exchange in their respective official capacities.

RULE 5. Five members of the Floor Committee shall constitute a quorum thereof, which quorum shall be competent to enforce above provisions.

RULE 6. All fines instituted by the Floor Committee shall be entered on the books of the Treasurer of the Exchange as a regular charge against the party fined, and failure to pay the same within five legal days from notice thereof shall operate as a suspension from all the privileges of the Exchange of said party until payment is made.

RULE 7. The Floor Committee are especially charged with carrying out the provisions of Rule relative to trading after hours.

RULE 8. Smoking within the railing enclosing the ring or within the line of demarkation on the Carondelet Street side of the raised portion of the Exchange floor adjoining the future ring is prohibited under penalty of One Dollar for each offense.

The Floor Committee are empowered to suspend the operation of this rule at their option on due notice posted in the Exchange room.

RULE 9. All betting and offers to bet, and all matching and offers to match, to fix prices for trades are prohibited, under penalties to be enforced by the Floor Committee, as provided for in violations of decorum.

RULE 10. The provisions of these Rules of Order to apply equally to visiting members and others admitted to the floor of the Exchange.

CALL RULES.

The following are prohibited during the progress of the calls in the future room, viz.:

1st. Standing in the arena directly in front of the caller.

2d. Moving about the room, except when coming in or going out.

3d. All trading or offering to trade in the lobby adjoining the ring.

4th. All unnecessarily loud bidding or other violent demonstrations, and all bidding when the option is not on the floor.

5th. Any conduct calculated to produce disorder.

6th. All bids of any kind unless addressed to the caller.

7th. All general conversation or discussion between members.

8th. To ensure the prompt enforcement of above Rules, the Superintendent or any officer, or other party acting in his stead, is authorized and instructed, in his discretion, to fine from one to ten

AMENDMENT TO SMOKING RULES.

NEW ORLEANS COTTON EXCHANGE.

By resolution of the Board of Directors adopted January 28th, 1920, Rule 8 of the Rules of Order has been amended to read as follows:

Rule 8.—Smoking within the raised part of the Exchange Room adjoining the ring, including the telephone booths, is prohibited, except on the outer side of a line drawn on the Carondelet Street side of the room, during the hours set apart for the future business, under penalty of One Dollar for each offense.

The Floor Committee are empowered to suspend the operation of this rule at their option, on due notice posted in the Exchange Room.

dollars, according to the gravity of the offense, any member deemed guilty of a violation of these regulations; provided, however, that any member may appeal from the decision of the officer to the Floor Committee; but pending such appeal the member shall be required to pay any fine assessed before being admitted to the privileges of the room.

9th. Any member wishing to obtain necessary and important information relative to his business then being transacted through the caller may address the Superintendent, or other officer acting in his stead, who should be required to, at once, furnish such information, if in his judgment it is important it should be furnished on the spot; provided, however, that the member shall use due diligence in keeping account of his own purchases and sales.

10th. Each member of the Floor Committee is authorized and instructed to report any violation of the foregoing regulations, and the discipline should be administered by the officer in charge.

PRESS SUPERVISION

PRESS SUPERVISION

ANNUAL ELECTION OF SUPERVISORS.

ELECTION OF CHIEF AND ASSISTANT SUPERVISORS.

RULE 1. The Board of Directors shall elect annually during the month of December a Chief Supervisor, an Assistant Chief Supervisor, and such number of Assistants as may be deemed necessary, to be employed by the month, who shall hold their respective offices at the pleasure of the Board.

DUTIES OF PRESIDENT, COMMITTEE ON SUPERVISION AND DELIVERIES, AND OF SUPERVISORS.

DUTIES AND POWERS OF PRESIDENT OF EXCHANGE.

RULE 2. The President of the Exchange shall, in the interval between the regular days of meeting of the Board, be empowered to fill vacancies and to make such additional appointements as may, in his opinion, be necessary or advisable, for temporary service, at such rate of compensation as he may deem proper, but not to exceed the salary allowed to Assistant Supervisors. He shall also be empowered to suspend the Chief or any of the Assistant Supervisors, for reasons to be communicated by him to the Board of Directors at their next meeting.

DUTIES OF COMMITTEE ON SUPERVISION AND DELIVERIES.

RULE 3. The Committee on Supervision and Deliveries shall have general charge of all matters appertaining to supervision and levee inspection not otherwise provided for in the Rules of the Exchange. They shall take cognizance of all charges against members of the Exchange for violation of the Supervision or Levee Inspec-

tion Rules that may be reported by the Chief of those departments, and whenever, in their opinion, such charges are properly substantiated, they shall refer the same to the Committee on Membership. They shall also constitute a board of reference for such matters relating to supervision and levee inspection as the Board of Directors may deem necessary to have fully and properly digested before final action is had thereon; and to said committee shall be referred, unless otherwise ordered by the Board, all communications and suggestions from the Chief Supervisor.

DUTIES OF CHIEF SUPERVISOR AND ASSIGNMENTS OF ASSISTANTS.

RULE 4. It shall be the duty of the Chief Supervisor to visit all the presses, to overlook his assistants and exercise such supervision over matters relating to the cotton trade as may be necessary; he shall report all infractions of the rules and regulations of the Exchange to the President, and shall perform such other duties as may be required of him by these regulations or by a resolution of the Board.

Under the direction of the Committee on Supervision and Deliveries he shall make all assignments of the Assistant Supervisors for duty at the various presses, and move such assistants from place to place, whenever the Committee deem such changes necessary or desirable; such assignments and changes being always subject to the approval of the said Committee.

He shall report direct to the Chairman of the Committee on Supervision and Deliveries upon all matters connected with his department outside of his regular duties.

He shall report at each monthly meeting of the Board the quantity of loose cotton made in, and the number of bales received and delivered by each press.

The Assistant Chief Supervisor shall be a special assistant to the Chief, and shall replace the latter in event of his absence or sickness.

DUTIES OF ASSISTANT SUPERVISORS.

RULE 5. The Assistant Supervisors shall see that all loose cotton is gathered up and shall weigh the same, making a daily report to the Chief Supervisor of the quantity weighed and stored at each press. They shall weigh all samples carried away by the factors' samplers or brokers' classers, giving a certificate in each case, if required, and keeping a record of same, showing all details. They shall see that all regulations established by this Exchange are properly enforced, and shall report all infractions of the same to the Chief Supervisor. They shall perform such other duties as may be prescribed by these regulations, or may be required of them by a resolution of the Board of Directors.

SALARIES.

RULE 6. The Chief and Assistant Supervisors shall be paid such salaries as may from time to time be fixed by the Board of Directors.

SAMPLES AND LOOSE.

FACTORS' SAMPLES.

RULE 7. The weight of samples taken out by the factors' sampler shall not exceed eight-ounces per bale, and such samples shall not be removed from the press until weighed by the Assistant Supervisor, who shall keep a record of the weight of same, and if required by the factor, shall furnish a certificate of same to the sampler.

BROKERS' SAMPLES AND CUTTING BANDS FOR SAMPLES.

RULE 8. The weight of samples taken out by the brokers' classer shall not exceed eight ounces per bale, and such samples shall not be removed from the press until weighed by the Assistant Supervisor, who shall keep a record of the same, and, if required, shall furnish the classer with a certificate stating the weight. Cutting of bands on bales for the purpose of sampling is prohibited.

HOW SAMPLES MUST BE DRAWN.

RULE 9. The eight ounces allowed for a sample from each bale must be drawn in one sample unless samples are drawn from both sides of the bale.

BUYERS' INSPECTORS—DISPOSITION OF LOOSE.

RULE 10. The buyers' inspector shall exhibit a certificate showing his authority to inspect the cotton. He shall replace all cotton taken from bales in boring and inspecting, and, should he fail to do so, it shall be gathered up, weighed and stored with the other loose cotton; but in no event shall it be removed from the press.

LOOSE MADE FROM SAMPLING, ETC.

RULE 11. All top samples and other loose cotton necessarily taken from the bales by the sellers' sampler or the brokers' classer, and all other loose cotton gathered up in the presses, shall be weighed and stored in the press; and the Supervisor shall report any sampler, classer or other person who may make more loose cotton than is necessary.

It shall also be the duty of the Chief or Assistant Supervisor to report to the buyer or broker any classer who takes his samples into a junk shop or other shop or store, before taking them to the office of the buyer or broker.

BALING LOOSE.

RULE 12. The Chief and Assistant Supervisors shall have sole charge of all loose cotton, of whatever description, made in the presses, to be kept by them until there is sufficient quantity to make one or more bales, when they shall have it baled up, at such place as the owner or owners thereof may designate. After being baled up, it shall be returned to the press and stored subject to the order of the owner or owners thereof. All such cotton shall be weighed before leaving the press to be baled up, and shall be re-weighed

when returned to the press. The owner shall have the right to dispose of his loose cotton without having it baled, if he so desires; cotton to be weighed before leaving the press.

LOOSE COTTON FOR TYPES.

RULE 13. Any buyer requiring loose cotton for the purpose of making up types shall deliver to the Supervisor an order signed by himself or by his regularly constituted attorney. He will then be allowed to take from the bales after they shall have been weighed the quantity required. The Supervisor shall weigh the cotton so taken and report the weight of same to the buyer.

SUPERVISION FEES, ETC.

RULE 14. Each party storing cotton shall, on the first of each month, pay such amount per bale as may from time to time be fixed by the Board of Directors on all cotton received and stored by him during the preceding month, the amounts so paid to be kept by the Treasurer as a fund out of which to pay all expenses of supervision, including the cost of labor for gathering up the loose cotton.

All shipmarked, small numbered, or other cotton sampled for re-sale in this market shall, upon re-sale, pay the regular supervision fee. All forwarding cotton sampled in presses shall be subject to this Rule.

When cotton delivered in a press by planters' marks is hauled to another press and there sampled, it shall, on supervision, be subject to an additional charge of one-half of the regular supervision fee; provided, that should the owner or owners thereof turn over to the Exchange the loose made from such cotton, no such additional charge for supervision shall be made.

Where cotton is sampled at the depots or elsewhere, not in presses, a charge of one-third of the supervision fee shall be paid by the owner or owners thereof; and the loose made shall be turned over to the owners, as is done in case of factors' cotton.

The Superintendent of the Exchange shall report to the Com-

mittee on Supervision and Deliveries on all monthly bills not paid by the 25th of each month, and shall make such other reports relating to his collections as said Committee may from time to time require of him.

RULE 15. In all cases of deliveries of cotton on Sunday, factors shall be required to pay the extra expenses for supervision and gathering loose, occasioned thereby.

When a member of the Exchange sells cotton to a non-member, the seller shall guarantee to the Exchange the supervision and levee inspection fees.

GENERAL PROVISIONS.

RELATING TO TRANSACTIONS BETWEEN MEMBERS AND NON-MEMBERS.

RULE 16. It shall be the duty of the Chief Supervisor to report all infringements of Rule 12 of the Spot Rules to the Committee on Supervision and Deliveries, who shall refer such cases to the Committee on Membership.

BENEFIT OF RULES ALLOWED TO NON-MEMBERS.

RULE 17. Sellers and buyers who are not members of the Exchange will be allowed all the benefits and protection of the regulations of this Exchange for supervision, provided they sign an agreement to be governed by them.

RELATING TO PRESSES.

STORAGE ROOM FOR LOOSE.

RULE 18. The presses shall furnish, free of charge, suitable storage room for all loose cotton, and shall render such aid and assistance as may be necessary to enable the Supervisors to perform the duties assigned them.

DUTIES OF PRESS OWNERS.

RULE 19. It shall be the duty of the owners and managers of the presses to report to the President of the Exchange all such violations of these rules and regulations as shall come under their personal observation.

LEVEE INSPECTION

LEVEE INSPECTION.

ANNUAL ELECTION OF LEVEE INSPECTORS.

ELECTION AND TERM OF OFFICE FOR LEVEE INSPECTORS—SALARIES.

RULE 1. The Chief Supervisor shall perform the duties of Chief Levee Inspector, and the Board of Directors shall elect annually during the month of December such number of assistnats for duty as Levee Inspectors as they may deem necessary, who shall be employed by the month, at such salaries as may from time to time be determined upon, and they shall hold their respective offices at the pleasure of the Board.

DUTIES OF PRESIDENT AND LEVEE INSPECTORS.

DUTIES AND POWERS OF PRESIDENT OF EXCHANGE.

RULE 2. The President of the Exchange shall, in the interval between the regular days of meeting of the Board, be empowered to fill vacancies and to make such additional appointments as may in his opinion be necessary or advisable, for temporary service, at such rate of compensation as he may deem proper, but not to exceed the salary allowed to Assistant Levee Inspectors. He shall also be empowered to suspend the Chief or any of the Assistant Levee Inspectors, for reasons to be communicated by him to the Board of Directors at their next meeting.

DUTIES OF LEVEE INSPECTORS.

RULE 3. The duties of the Chief Supervisor and Assistant Levee Inspectors shall be to protect from theft all cotton on the levee and at depots, whether landed from steamers or railroads, in process of shipment or in transit through the city; to see that cotton whilst being landed or in process of shipment is properly cared for, protected from the weather and kept out of the mud, and they shall perform such other duties as are imposed upon them by these regu-

lations, or which may be required of them by a resolution of the Board of Directors, for the more effective protection of the cotton trade of this city.

DAILY REPORTS.

RULE 4. The Chief Supervisor and Assistant Levee Inspectors shall keep a record of the weather, also of the condition in which cotton is delivered to the various vessels; they shall also keep a record of the condition in which cotton is taken on board, specifying whether the same was taken on board in a wet or in a dry condition, and, if wet, they shall specify whether the same was received wet or became so by being exposed to rain upon the levee, or by being rolled through the mud. They shall make daily reports, embodying all particulars, which reports shall be kept on file and shall be entered up in a book to be kept for that purpose by the Superintendent of the Exchange.

DECK LOADS AND RECEIPT ON SHIPBOARD OF COTTON IN BAD CONDITION.

RULE 5. They shall in all cases, where cotton is being taken on board in such condition as to render it liable to become damaged upon the voyage, or to damage other cotton by contact, notify the master of the vessel of the impropriety and risk of taking cotton on board in such condition. They shall also report all cotton carried on deck by any vessels leaving this port.

SKIDDING RECEIPTS BY STEAMBOATS.

RULE 6. Steamers landing cotton on the levee beyond the wooden wharves shall be required to place the same upon skids, so as to prevent its coming in contact with mud or water, and it shall be the duty of the Chief Supervisor and of his assistants to report all violations of this Rule.

CERTIFICATES OF CONDITION TO BE FORWARDED TO PORTS OF DESTINATION.

RULE 7. It shall be the duty of the Chief Supervisor, when

a vessel clears at the Custom House, to draw up a certificate setting forth the condition in which her cargo was taken on board; and it shall be the duty of the Secretary of the Exchange to countersign such reports and affix thereto the seal of the Exchange. The Secretary shall forward such certificate to such person or association, at the port of destination, as the President or the Board of Directors may direct.

MASTERS REFUSING REPORTS OF RECEIPTS, ETC.

RULE 8. It shall be the duty of the Chief Supervisor to report all vessels whose masters refuse to furnish daily reports of cotton received, or who may refuse proper facilities to the Levee Inspectors for the performance of their duties; and the Secretary of the Exchange shall post upon the Exchange boards the names of all vessels so reported; he shall also note all such cases upon the reports forwarded to the ports of destination of such vessels.

INTERFERENCE WITH INSPECTORS ON DUTY.

RULE 9. Any one forcibly interfering with the Levee Inspectors while in the discharge of their duties shall be prosecuted according to law.

CHIEF SUPERVISOR'S REPORTS TO COMMITTEE ON SUPERVISION AND DELIVERIES.

RULE 10. The Chief Supervisor shall report direct to the Chairman of the Committee on Supervision and Deliveries upon all matters connected with his department, outside of his regular routine duties.

CERTIFICATE OF COTTON UNFIT FOR SHIPMENT.

RULE 11. In any case where cotton has been taken on board of a vessel in condition unfit for shipment, any shipper by said vessel shall receive, if he so requires, a special certificate from the Exchange, setting forth the facts of the case, said certificate to be

verified by oath or affirmation of the Levee Inspector in charge of said vessel. Shippers requiring special certificates shall pay all expenses incurred under this Rule.

INSPECTION FEES AND CHARGES.

FEES ON LOCAL SHIPMENTS—DUTIES OF COLLECTOR.

RULE 12. Each shipper of cotton shall, on the first of each month, pay to the Treasurer of this Exchange such amount as may from time to time be fixed by the Board of Directors for each and every bale of cotton shipped by him during the preceding month.

In all cases where a broker is employed, such payment may be made through the broker, but where parties purchase cotton without the intervention of a broker such payment shall be made direct. The amount so paid shall be kept by the Treasurer as a fund out of which to defray all expenses incurred under the regulations for the protection of cotton upon the levee. The Superintendent of the Exchange shall report to the Committee on Supervision and Deliveries on all monthly bills not paid by the 25th of each month, and shall make such other reports relating to his collections as said Committee may from time to time require of him.

FEES ON TRANSIT COTTON.

RULE 13. Each shipper shall report monthly the number of bales of cotton received by him and shipped without being sent to presses; all such cotton being liable to the levee inspection assessment.

GENERAL PROVISIONS.

BENEFIT OF RULES ALLOWED TO NON-MEMBERS.

RULE 14. Sellers and buyers who are not members of the Exchange will be allowed the benefit and protection of the regulations of this Exchange for levee inspection, provided they sign an agreement to be governed by them.

RULES RELATING TO STANDARD OF COMPRESSING

RULES RELATING TO STANDARD OF COMPRESSING AND SIZE AND CONDITION OF BALES FOR EXPORT

RULE 1. Each bale shall be delivered to vessel with not less than six bands, and in proper shape. The bands shall be placed at about equal distances from each other; no band to be allowed so near the end of the bale as to be insecure.

RULE 2. The following Rule shall be strictly adhered to in measuring a bale of cotton: measurement shall be taken on the bands for width and thickness, and from both ends of the bale for length.

RULE 3. The ship agent shall not be required to accept pickery bales or bales with less than six bands.

RULE 4. Hand-tied bales shall not be rejected except for lack of required density.

RULE 5. The Inspectors of the Cotton Exchange shall be sworn to a fair and impartial performance of their duties, and all certificates issued or certified to by them shall be under such oaths as sworn Inspectors, and no member of the Cotton Exchange shall be required to accept certificates of condemnation issued by the New Orleans Steamship Association, unless such certificates are signed by the sworn Inspectors of such Association. The shippers, the ship agents, or the representatives of either, shall have free access to the records of the Inspectors of both the Cotton Exchange and the New Orleans Steamship Association.

In all cases where cotton is condemned by Inspectors of the New Orleans Steamship Association, the shipper shall have the right of being represented by an Inspector of the New Orleans Cotton Exchange at the time of condemnation.

Provided, that if the shipper does not take prompt steps to

have the ship agents' certificate of condemnation verified by the Inspectors of the Cotton Exchange, such certificates shall be accepted without question.

RULE 6. All cotton re-marked in New Orleans must, in addition to the mark, bear a number on each bale.

RULE 7. Certificates of condemnation must show, when visible, shipping marks and numbers and tags carried by the bales, but no shipper shall reject certificates because of the absence of this information.

The following regulations of the New Orleans Steamship Association have been adopted by the New Orleans Cotton Exchange:

"The STANDARD size of gin boxes is to be 27x54 inches, and an extra charge of $1.00 per bale on cotton and cotton linters will be made for ocean freight on all bales from boxes of greater length or width than the above size.

"Each and every bale of cotton and cotton linters must be completely covered with bagging to protect the cotton from damage.

"No Dock receipts, Mate's receipts, Master's receipts, Agent's receipts, nor Bills of Lading will be issued without describing actual condition of the bales of cotton or linters, when received by the ocean carrier. Any bales delivered in other than apparent good order and condition will be signed for accordingly.

"The following clauses descriptive of bales of cotton or linters will be used on receipts and bills of lading when such deficiencies exist:

"1. Not thoroughly covered.
"2. Covering insufficient to retain marks.
"3. More or less wet.
"4. More or less stained.
"5. More or less soiled.

"Bales of cotton or cotton linters tendered for shipment wet and subsequently allowed to dry out, will be claused as "Bales have been wet and dried."

"The STANDARD size bale, 27x54 inches, is the basis of the freight engagement with ocean carriers, and each and every bale of cotton and cotton linters from gin boxes not exceeding 27x54 inches must, on delivery to the steamer at the port, contain a minimum density of 22½ pounds to the cubic foot. Any bale of these dimensions that does not show this density, if not re-pressed to the required density at the port, shall pay extra freight to the steamer of 50 cents per bale.

"Each and every bale of cotton and cotton linters must be durably and legibly marked or branded. Marks to be placed between bands so that no part of the mark will be covered by the band. No other mark allowed upon the bale, except head brand (if any), and the mark under which the bale is moving for export. All other marks to be thoroughly obliterated so that no part of any old mark will appear. Upon round bales the gin mark will be allowed to remain.

"When the quality of the bagging is insufficient to carry the marks to destination, a patch of good bagging or cloth should be put on the bale, under the bands, to bear the mark."

FORM OF AUTHORIZATION TO VISIT EXCHANGE.

Under Article XVI of the By-Laws.

.....19.....

M.....

Superintendent New Orleans Cotton Exchange.

Sir—

You are hereby notified that....., my bona fide clerk, is authorized to visit the Cotton Exchange during my absence from the city (or sickness) for the sole purpose of obtaining news or information. Respectfully,

.....

GENERAL POWER OF ATTORNEY.

New Orleans Cotton Exchange.

Under Article XVI of the By-Laws.

United States of America,
State of Louisiana, Parish of Orleans,
City of New Orleans.

.....19.....

Known All Men by These Presents:

That.....of.....do hereby constitute, and appoint, and by these presents do make, constitute and appoint....., of.....true and lawful attorney to represent..... in the transaction of all business in the New Orleans Cotton Exchange for.....and in.....stead, to perform all necessary acts as hereinbefore stated, in accordance with the By-Laws and Rules of the Exchange, which.....might legally do; hereby ratifying and confirming in all respects the act or acts of.....said attorney as fully as..... could do if personally present, and this.....power shall remain in full force and effect until after expiration of twenty-four hours from the date of the posting upon the bulletin board of the Exchange Room, by the Superintendent thereof, a notice of the revocation of same.

.....

Witness:

.....

.....

LIBRARY OF CONGRESS
0 027 292 877 0